

LOMBARD

Protecting the consumer

BY GEOFFREY OWEN

SOCIAL accountability, rather than the regeneration of British industry... is a phrase we are likely to hear a good deal in the coming months...

Market power

It is possible to make a case for a body, other than the Monopolies Commission, with the power to investigate pricing behaviour in certain highly concentrated industries...

Over-manning

If the Price Commission is to make judgments about whether prices and profits are excessive in particular cases, all the relevant costs will come within its purview, including the cost of labour and the efficiency with which it is used...

RACING

Searching test for Dramatist

DRAMATIST, that much-improved young hurdler, faces a fairly searching test in today's Kingwell Pattern Hurdle...

WINCANTON

- 2.15-Pop Song
2.45-Eagle Feather
3.15-Dramatist
3.45-Border Incident
4.15-Game Gentleman
4.45-Fortra Raid

Among his six opponents are Beacon Light, another high-class six-year-old who has never been quite fulfilled among people's expectations...

SALEROOM

BY ANTONY THORNCROFT

Spanish coin's £26,000 record

EXCEPTIONAL PRICES were paid at some of London's lesser-known salerooms yesterday. A Glendening auction totalled £182,162 with an extraordinary £26,000 bid for a gold 25 pesetas of Amadeo I minted in Spain in 1871...

A similar scene by the same artist fetched £12,000 from Earlman, the London dealer, while a Swedish dealer gave £11,000 for 'The Family Bible Reading' by Bengt Nordenberg...

The auction of natural history books totalled £94,514. Seventy-nine volumes of the Botanical Magazine by William Curtis sold for £2,500 to Wheldon and Wesley...

A collection of 23,000 cigarette cards went for £560 at a Sotheby's Belgravia auction of ephemera. A set of 25 cards from Taddy and Company, showing the 'Wonders of the World', made £300 and a collection of 400 'Grass Aus' postcards £260.

The highest price at the Robson Lowe auction of British Africa stamps was £1,400 for a Cape of Good Hope 1861 one penny pale milky blue with an error of colour.

FINANCIAL TIMES THE FUTURE FOR EUROMARKETS CONFERENCE

DELEGATES to the Financial Times Conference on the Future of the Euromarkets were urged yesterday to recognise that the imbalance in international payments is not a temporary or medium term phenomenon but a 'structural one'.

Introducing the conference in London, Mr. Mimos Zombanakis, managing director of First Boston (Europe), said: 'We should recognise that the accumulated debts and that the current account deficits represent a long-term problem and not a temporary phenomenon'.

At the same time, borrowing costs should be reduced by policies aimed at long-term structural adjustment. Organisation of Petroleum Exporting Countries surpluses should increasingly be diverted to late developing countries.

Mr. Forsyth, chief economist of Morgan Grenfell, emphasised that current payments imbalances were largely structural. Saudi Arabia, Kuwait and the United Arab Emirates would be the main oil deficit states.

Mr. Forsyth suggested that the West German surplus was also structural. The international financial community had persisted for too long in regarding such surpluses as a temporary and adjustable imbalance.

He warned that the rate of growth of bank lending must be brought slowly but steadily into line with the slow, but steady, external financing gap.

There were three sources from which this could be covered: increased official finance, the bond markets (not just the Eurobond market itself) and equity investment.

International imbalances may be structural

BY TONY HAWKINS

The bond market's role could be considerably extended, but a great extent this would apply to financing the intra-Organisation for Economic Co-operation and Development deficits rather than those of late developing countries.

Mr. Robert Solomon, Senior Fellow at the Brookings Institution, said his general answer to whether Euromarket development should be a source of concern to regulatory authorities was that the regulators should relax.

Discussions whether the Euromarkets were over-exposed, Mr. Zombanakis said, what was needed was a compensatory system through the official international financial mechanism or under the responsibility of some new international scheme.

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TV/Radio

- 6.40-7.55 a.m. Open University (CHF only)
8.41 For Schools, Colleges, 10-15 Other People's Children
11.0 For Schools, Colleges, 12.35 P.m. On the Move
12.15 News, 1.00 Point to Point, 1.45 Mr. Benn, 2.00 You and Me, 2.14 For Schools, Colleges, 3.00 Knitting Fashion, 3.35 The 90 70 80 Show, 3.53 Regional News

- 18.10 Omnibus, 11.45 Tonight, 11.45 Weather/Regional News
All Regions as BBC-1 except at the following times:
Wales-5.15-5.40 p.m. Billdown, 5.55-6.30 Wales Today, 6.45-7.10 Heddy, 7.14-7.45 Devch Sgarad, 7.45-8.15 Welsh 7, 7.45-8.15 Welsh 7, 7.45-8.15 Welsh 7, 7.45-8.15 Welsh 7

- 1.20 p.m. Report West Headlines, 1.25 Report East Headlines, 1.30 Women's Report, 1.35 News, 1.40 Report West, 1.45 Report East, 1.50 News, 1.55 News, 2.00 News, 2.05 News, 2.10 News, 2.15 News, 2.20 News, 2.25 News, 2.30 News, 2.35 News, 2.40 News, 2.45 News, 2.50 News, 2.55 News, 3.00 News, 3.05 News, 3.10 News, 3.15 News, 3.20 News, 3.25 News, 3.30 News, 3.35 News, 3.40 News, 3.45 News, 3.50 News, 3.55 News, 4.00 News, 4.05 News, 4.10 News, 4.15 News, 4.20 News, 4.25 News, 4.30 News, 4.35 News, 4.40 News, 4.45 News, 4.50 News, 4.55 News, 5.00 News, 5.05 News, 5.10 News, 5.15 News, 5.20 News, 5.25 News, 5.30 News, 5.35 News, 5.40 News, 5.45 News, 5.50 News, 5.55 News, 6.00 News, 6.05 News, 6.10 News, 6.15 News, 6.20 News, 6.25 News, 6.30 News, 6.35 News, 6.40 News, 6.45 News, 6.50 News, 6.55 News, 7.00 News, 7.05 News, 7.10 News, 7.15 News, 7.20 News, 7.25 News, 7.30 News, 7.35 News, 7.40 News, 7.45 News, 7.50 News, 7.55 News, 8.00 News, 8.05 News, 8.10 News, 8.15 News, 8.20 News, 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EUROPEAN NEWS

ITALIAN COMMUNISTS BACK HOLDING COMPANY REBELS

IRI managers threaten to resign

BY PAUL BETTS

ROME, Feb. 23.

THE MAJOR row which erupted last night inside the top management of Italy's largest enterprise and biggest state holding company, IRI, to-day entered the political arena with the powerful Italian Communist Party siding heavily in favour of IRI's 13 protesting senior managers.

Bid for anti-inflation consensus

BY DOMINICK J. COYLE

ROME, Feb. 23.

IN ADVANCE of the arrival here next week of a mission from the International Monetary Fund, economic experts of the main political parties supporting the minority Government were meeting to-night to try to reach some consensus on further anti-inflationary measures.

Dutch building strike ends

THE HAGUE, Feb. 23.

About 8,000 workers in Holland's building industry to-day ended their 16-day strike, opening the way for wage talks between trade unions and employers.

Poles seek fishing rights from Nine

BY ROBIN REEVES

BRUSSELS, Feb. 23.

THE POLISH Government to-day made a strong plea for continued fishing rights inside the EEC's new 200-mile limits.

waters to offer reciprocal fishing rights to EEC boats, but he argued that reciprocity should be looked at in the wider context of the Helsinki accord, and of the large Polish trade deficit with the Nine, and should also take account of the traditional fishing of Poland's fleet over the past 40 years in waters which, inside the EEC's 200-mile zone, Mr. Olzewski complained that his country had been badly treated under the fishing quota arrangements imposed unilaterally by the EEC Council for the

Spanish Communists criticise Government

By Roger Matthews

MADRID, Feb. 23.

THE SPANISH Communist Party reacted sharply today to the Government's decision not to grant it immediate legal status, while extreme right-wing violence broke out following the arrest of one of the Right's best known leaders for alleged links with a clandestine Madrid gun-making factory.

The Communists said in a statement that any attempts to return the party to the "catacombs" or to delay its legalisation were automatically doomed. They said the Government decision was particularly discriminatory and unjustified, and recalled a recent joint opposition statement that demanded the participation of all political tendencies in the General Election promised before the summer.

Under newly introduced legislation, the decision on the Communists now goes to the Supreme Court for a final ruling. The Government has also referred another five parties to the Supreme Court, including the Carlists and four groups to the left of the Communists. Several more parties are expected to follow in the next few days.

Lisbon puts on brave face over loan delay

By Our Own Correspondent

LISBON, Feb. 23.

PORTUGAL'S minority Socialist Government is doing its best to be optimistic about the news from Washington that the U.S. 35 per cent (or \$550m.) contribution to a proposed \$1.5bn. consortium loan administered by the IMF will not be included in the 1977 U.S. Budget.

The decision of the U.S. Administration to include the loan in the 1978 fiscal year, starting October 1, 1977, is purely technical, said a Portuguese Foreign Ministry spokesman to-night. "This will give President Carter time to hold talks with leaders of other industrial countries which will participate in the loan. It has no effect on the loan itself, which we expect to come in the next year—very likely in October."

A large consortium loan to help Portugal out of its financial straits was originally suggested by the outgoing Ford administration in 1976. Financial circles here had been especially keen to negotiate between prospective consortium partners so that at least one instalment could be received before this autumn even in view of the country's urgent financial needs.

The balance of payments deficit for 1976 is expected to reach \$635m. (compared with \$480m. in 1975). The November 1976 trade deficit stood at \$1,970m. The budget deficit for 1976 was \$300m. (forecast \$460m.). This year's deficit is forecast at \$1,050m.

The Government has imposed surcharges of 30 to 60 per cent on non-essential imports, hoping to cut these down, but it cannot escape a need to import over \$2 per cent of the nation's food—at an estimated cost this year of \$500m.

Expenditure is likely to exceed present forecasts due to the disastrous effect of four months' rain on the grain harvest.

The Government received a welcome injection of funds through an emergency \$300m. loan from the U.S. Treasury currency stabilisation fund on February 18, after four months' of anxious waiting.

Financial sources say that while the U.S. and West Germany seem prepared to contribute to the IMF consortium loan, other prospective partners are less enthusiastic. This, they say, is essentially why Mr. Carter will need time to coax other leaders into participating.

If the loan can be delivered by October the country could tide itself over until then thanks to this month's \$200m. loan.

Meanwhile, austerity measures are already in force: a 15 per cent ceiling has been imposed on wage increases—under vehement protest from the labour world—and further important restrictions on non-essentials are expected.

Civil rights plea by Bulgarian

BY PAUL LENDYAI

VIENNA, Feb. 23.

A BULGARIAN exile civil rights group has appealed for support to the leaders of the Italian, French and Spanish Communist parties. It was revealed here to-day at a news conference called by the straggler organisation.

At the same time, the official Bulgarian news agency denied statements earlier this week by the leader of the Bulgarian Social Democratic Party in exile that four prominent Bulgarian writers had been interrogated by police in connection with the Czechoslovak human rights manifesto Charter 77. The socialist leader, Mr. Stefan Tabakov, had said that 40 intellectuals

were interrogated and 14 temporarily arrested after an issue of the Paris newspaper Le Monde, with a text of Charter 77, had circulated in Sofia, the Bulgarian capital.

A member of the Bulgarian civil rights group, Mr. Dimitar Tschabdarov, alleged to-day that 28,000 people were in prison and concentration camps for political reasons in Bulgaria. The human rights appeal was written by the group of exiles which includes Mr. Alexander Skarvartov, who defected a year ago. They claim the appeal was sent to Bulgaria and that "intellectual dissidents" were in accord with it.

The Bulgarian news agency statement said all intelligence and scholars would express their views on travel abroad. Reports of harassment of the 40 intellectuals labelled as a "stunt" Three writers mentioned name in Western news were quoted to-day as they had any trouble.

Reuter adds from a Russian dissident, Anatoliy Ponomarev, that he was detained by police to-day outside Wilseye presidential palace while he was pressing request to meet President Valery Giscard d'Estaing.

ROMANIAN DISSIDENTS

The Ceausescu crackdown

BY PAUL LENDYAI IN VIENNA

THE WAVE of human rights movements in the Communist world has now reached Romania, perhaps the most tightly controlled country of East Europe.

The world-wide publicity accorded to the activities of a handful of rebellious intellectuals and artists has provoked President Nicolae Ceausescu into an angry public outburst against "traitors who denigrate their country to please their masters, and to pocket a large amount of money, like Judas."

He has personally ordered a general crackdown on the first human rights group to emerge in Romania. Some of the most vocal dissidents whose applications for emigration have in the past refused have now been given exit permits. Others have been questioned by the security police and the telephones of several have been disconnected. Those who intend to remain in Romania and fight for human rights face certain arrest or deportation.

The chain of events began on February 9 with an open letter written by a novelist, Mr. Paul Goma, and published in Paris. It reminded Governments and public opinion in the West that despite its independent foreign policy initiatives, the Romanian regime in fact is as intolerant of dissent as are the docile pro-Soviet states. The 42-year-old writer, whose novels are only allowed to appear in the West, did not mince his words.

After declaring his solidarity with the "Charter 77" human rights manifesto in Czechoslovakia, he said: "The Romanian occupation of Romania is even more painful and more efficient than a foreign occupation. We all live under the same boot, the same violation of elementary rights, the same lies. Poverty, economic chaos, demagoguery, insecurity and terror reign everywhere."

Four days later Mr. Goma and seven other Romanian citizens including his wife, sent a public appeal to the participants in the Helsinki summit meeting on European security, to be held in Belgrade in mid-June. The statement condemned the lack of respect for human rights in Romania as guaranteed by the constitution and international documents signed by the Romanian Government.

The signatories—two painters, two members of the Bucharest Philharmonic Orchestra, both ethnic Germans, a Hungarian worker, and the grandson of a pre-war Romanian Cabinet Minister—also called for the speedy convocation of a conference on human rights.

The origin, scope and significance of the group, reportedly numbering some 15 members, does not remotely compare with the human rights movement in Czechoslovakia or the activities of the Polish Workers' Defence Committee. But it did become a nuisance and a growing political embarrassment for Mr. Ceausescu because Western radio stations broadcast the open letter and the public appeal in their Romanian language transmissions.

Mr. Ceausescu's irritation was evident when he hit out at "certain circles attempting to use the Helsinki final accord to

interfere in the internal affairs of other nations. He complained that "politicians, even Governments," were providing "traitors" with the opportunity to use radio stations against European detente, and against peace and co-operation.

The very fact that a dozen-odd critics of the regime have emerged as a civil rights group, despite the security police and the pervasive control of security, is an event of some significance. Though it is not very likely that many prominent Romanians will risk losing their jobs or even goad by launching similar initiatives, the regime is apparently nervous.

Apart from the so-called "humanitarian problems" of

Exit permits for ethnic Germans are a case in point. Germany is a Romanias' Western creditor and its most important trading partner. But the number of exit visas for Germans has been reduced since 1970.

The Helsinki accord fall shake the Romanian detente to retain its skilled workers and experts, a high proportion of whom are ethnic Germans. In the most recent year, 1976, 8,000 Germans fell from 8,000 to 5,000 in 1975 and to 3,500 in 1974. Following their defiance, both the Manoliu Gesswein have now resigned the coveted exit permits.

On the eve of the 19th anniversary of his accession to Party leadership, Mr. Ceausescu at 50 has concentrated power in his hands that other Communist rulers, with possible exception of Mr. Hoxha in Albania.

The most beloved of the Romanian nation" was carried out one of his annual reshuffles of the top party body, the Politburo. She now as No. 2, though once occupying the post of director of Chemical Research Institute.

During the last seven years alone, the "conductor" leader, as Mr. Ceausescu is often called, has shifted closest aides, replaced half a Cabinet, which consists of Deputy Premiers and some Ministers, and has enlarged Central Committee Secretariat to 10 members. Such key positions as the Ministry of Defence, the Bucharest chief, the secretaries in charge of culture and education, Minister of Justice, and supreme prosecutor have also shifted, along with the country party secretaries.

In his recent speech, Mr. Ceausescu dampened hopes of liberalisation. "It is and there never will be room in Romania for party democracy," he declared, "the democracy of the class of the people, he said.

The appointment of Gheorghe Pana, chief of trade unions, to be ex-Minister of Labour, casts a shadow on the character of the "new democracy." A trade union leader—adding simultaneous Governmental watching labour supply and discipline a novelty even in Eastern Europe.

Mr. Ceausescu needs West credits, technology, know-how, but not least, goodwill. It is any trials of steel in the Soviet Union that is an invisible safety net for Romanians who lodge objections for exit permits. It may help to protect the handful of dissidents.

Mr. Ceausescu refrains from brutal repressive measures. Goma affair may remain only an episode. But it does require public opinion abroad that the most independent-minded members of the Soviet bloc reluctant to grant a modicum of freedom of movement.

Bukovsky urges constant pressure on Soviet Union Western allies in protest over Berlin

BY JUREK MARTIN

WASHINGTON, Feb. 23.

MR. VLADIMIR BUKOVSKY, the Russian dissident, told the U.S. Congress the West must be "firm, relentless and constant" in its support of human rights in the Soviet Union.

Mr. Bukovsky was released from the Soviet Union last year in exchange for St. Luis Cardinal. He was testifying to-day in front of a crowded audience attending hearings held by Congressman Dante Fascell's Commission on Security and Cooperation in Europe.

The White House hopes to arrange a meeting between President Carter and Mr. Bukovsky next week. A meeting with the Vice-President, Mr. Walter Mondale, scheduled for to-day had to be postponed to next week.

Having outlined the plight of several Soviet dissidents, Mr. Bukovsky issued what he called "a very serious warning" to the West. "Western public opinion and governments must have patience."

"The West is too impatient. After some attempts which have brought no results, you easily let your arms drop and you despair. The Soviet Union, knowing the West, certainly banks on such a

reaction and, as recent arrests have shown, will stick to a hard line. Again, a certain viewpoint can arise. It is better not to anger the Soviet leaders—they bank on that too."

"You must understand that a new wave of repressions in the Soviet Union does not demonstrate strength, but the Soviet Union's fear in the face of rising opposition within the country and international solidarity with this opposition, particularly in view of the simultaneous unprecedented rise in opposition in all the East European countries."

Specifically, Mr. Bukovsky recommended that the West, to impress political realities on the Soviet Union, adopt four measures—to make trade and economic ties dependent on Soviet observance of human rights; to investigate infringements of liberties at the UN, the forthcoming Belgrade conference and other forums; to demand the admission of observers into Soviet prison camps, hospitals and political trials; and to arrange meetings with dissidents.

Mr. Bukovsky stressed that he favoured detente, "but it must be a real detente and not a self-deception—it must be detente with a human face."

WEST BERLIN, Feb. 23. THE WESTERN allies to attempt to alter the four-power status of Berlin.

The allies—Britain, France and the United States—explained in a joint statement against an East German decision to stop publishing "Legal Bulletin" for Great Britain.

Since the founding of East Germany in 1949, all laws passed by Parliament have had to be approved a second time by East Berlin city council. The decisions were published in a bi-monthly bulletin whose last edition appeared in September last year.

The West regarded the bulletin as a tacit recognition of the city's special post-World War Two status. East Germany, backed by the Soviet Union, rejects the Western view that the city's four-power status encompasses East Berlin. Reuter

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AMERICAN NEWS

Dutch think Brazil may sign nuclear treaty

Diplomats feel that Brazil change its position and sign nuclear non-proliferation treaty...

Gasco named

U.S. House of Representatives Commerce subcommittee named Texas as one of many producers...

Venezuelan message

Message from President Jimmy Carter to President Andres Bello...

Republican win

Republican Party won election since the 1950s...

Colombian denial

Colombian government denied rumors of a coup...

Salvador unrest

Unrest in El Salvador as military forces block roads...

U.S. NATURAL GAS CRISIS

Stark choices after a winter of record cold

BY RICHARD MYERS, MANAGING EDITOR, ENERGY DAILY, WASHINGTON. EXECUTIVES of the nation's natural gas pipeline...

Carter maintains interest in fuller Cuba relations

BY JUREK MARTIN, U.S. EDITOR. WASHINGTON, Feb. 23. THE WHITE HOUSE this morning denied a British Press report...

Doubts on Tennessee N-plant

BY DAVID BELL. WASHINGTON, Feb. 23. THE CARTER Administration's decision to cut the programme to develop the controversial fast breeder reactor...

Reprocessing centres call

BY DAVID FISHLOCK, SCIENCE EDITOR. LARGE internationally owned reprocessing centres—a scale that British Nuclear Fuels is planning...

President's wage plan opposed by Meany

BY OUR OWN CORRESPONDENT. WASHINGTON, Feb. 23. MR. JIMMY CARTER, the U.S. President, is encountering fierce opposition...

Bayernlux reports

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The effect of the \$200m. cuts is to stop four new breeder research projects which would have added about \$60m. to the Government's share...



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OVERSEAS NEWS

Frontline Arab states press oil producers for aid

HSAN HIJAZI

ARAB "frontline states" by sending his Foreign Minister, Prince Saud al Faisal and his Finance Minister, Sheikh Mohammed Abal Khalil to Cairo to discuss the matter with Egyptian officials.

King Hussein of Jordan has also joined the drive recently telling the Lebanese Press the Arab "frontline states" are militarily weak because they are not getting sufficient assistance from the oil producers, while Syria's criticism appears to have caused irritation in Kuwait where the daily Al Anba said in an editorial yesterday that should the frontline states opt for war with Israel "we would be prepared to place all our resources at their disposal".

Smith to lift curbs on blacks

AN SMITH, the Rhodesian Minister, today announced that he would allow blacks to buy industrial and commercial land as part of a package aimed at removing discrimination and promoting an internal majority rule.

able to make the land produce, irrespective of colour. Industrial and commercial land in business districts would be open to occupation, lease or ownership by all races. Restrictions on hotels and bars, which prevent blacks from drinking in white owned areas after 7 p.m. would be removed as would restrictions on use of institutions owned by religious, educational or charitable organisations.

Bandhi backs emergency

K. K. SHARMA

INDIRA Gandhi, the Prime Minister, has today demanded that the state of emergency in India be lifted to enable fair elections. She said she would not support any plan to paralyse the Government. This was Mrs. Gandhi's main reason for introducing the emergency in June, 1975.

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BEIRUT, Feb. 23.

settlement of the Arab-Israeli conflict. Frontline states ought to show more gratitude for the aid they have already received from the oil producers, it added. Five producers—Saudi Arabia, Kuwait, Bahrain, and Qatar recently allocated the frontline states about \$1.5bn. annually until 1978. Observers here see ominous signs in the dispute which, if it continues, could pose a threat to prevailing inter-Arab solidarity.

Kreisky sees PLO shift

TEL AVIV, Feb. 23.

DR. BRUNO KREISKY, the Austrian Chancellor, said today there was a profound change in the attitude of the Palestine Liberation Organisation (PLO) towards Israel. Here to attend the Israeli Labour Party convention, Dr. Kreisky said he had given the Israeli Government a PLO document calling for the

Smith to lift curbs on blacks

SALISBURY, Feb. 23.

on private schools and hospitals will be removed, but State-owned institutions will continue to be segregated. "I believe this statement indicates clearly, not only the Government's sincere intention to remove all discrimination, but also its desire to work with our black people in order to produce the correct political solution for our future," he said.

Kim Il-Sung's son may be successor

NEW DELHI, Feb. 23.

North Korea has chosen Kim Chong-Il, eldest son of President Kim Il-Sung, as his father's eventual successor, the Japanese news agency Kyodo reported yesterday. The agency quoted Korean sources as saying that the decision was taken recently by the North Korean supreme organ, the Political Committee of the Central Committee of the Korean Workers' Party, Reuter reports from Tokyo.

Japan nuclear ship

Several hundred demonstrators demanding that Japan's only nuclear-powered ship be scrapped protested yesterday outside various ministries in Tokyo, Reuter reports. The 5,214-ton Mutsu was completed in 1972, but developed a radiation leak during its first test cruise in the Pacific. It was allowed to return to its home port of Mutsu, after which it is named, only after the government agreed to pay compensation for its presence in local harbours and to remove the vessel by April 14.

Thai casualties

Communist guerrillas killed 35 members of Thailand's special warfare forces in 1976. The heaviest casualties in 11 years. Special Services Chief Major-General Thienchai Sirisampan told reporters before a meeting of special forces experts from the U.S., South Korea and the five Asean countries—Thailand, Singapore, Malaysia, the Philippines and Indonesia, Reuter reports from Bangkok.

Ghana dismissal

The ruling supreme military Council in Ghana has dismissed the deputy governor of the Bank of Ghana, following delays in settling national oil bills and a subsequent petrol shortage, the Ghana news agency said yesterday, Reuter reports from Accra. The agency quoted an official announcement that Deputy Governor Emmanuel Anoh had been relieved of his duties.

China-Liberia ties

China and Liberia have established diplomatic relations, reducing Taiwan to diplomatic ties with only five African nations, UPI reports from Hong Kong. A joint communique announcing the establishment of relations was broadcast yesterday by Radio Peking. An agreement on economic and technical co-operation, under which China will provide aid to Liberia, has been signed, the broadcast indicated.

ON OTHER PAGES International Company News Standard and Chartered/Bancaid bid S. African Reserve Bank 26/27 Farming and Raw Materials EEC rice policy 31

Coggan wants to see Amin's rule broken

By Our Foreign Staff

DR. DONALD COGGAN, the Archbishop of Canterbury, said yesterday he wanted to see an end to President Amin's rule in Uganda. "I want to see his regime broken, but how this happens remains to be seen," he told reporters in Sydney at the start of a tour of Australia and New Zealand.

The Archbishop has been accused by President Amin of involvement in a plot to overthrow him, and the Ugandan leader yesterday widened his accusations to include Britain, the U.S. and Israel.

He said these three countries were to have backed the plot, which he claimed involved flying paratroopers into Uganda from an aircraft carrier.

President Amin, speaking to reporters in Kampala, repeated that he intends to come to London in June for the Commonwealth Conference, a visit that would seriously embarrass Britain, which will be taking soundings among Commonwealth Governments on whether he should attend.

In Dar es Salaam, a Ugandan who had just fled the country said yesterday that President Amin had given orders for the liquidation of all members of the Langi and Acholi tribes serving in the armed forces, the police and prison service. Other refugees said Langi and Acholi people were being arrested all over the country in a large-scale massacre of the two tribes was going on. One alleged that over 2,000 people had been arrested during the past two weeks in the Langi and Acholi districts.

The Government-owned Tanzanian newspaper, the Daily News, said that Ugandan troops had arrested Professor Jacob Olyra, the Vice-Chancellor of Kampala's Makerere University, and two other senior staff members.

SOUTH KOREA'S ECONOMY

In the footsteps of Japan

BY DOUGLAS RAMSEY, RECENTLY IN SEOUL

LIKE THE famous reports of Mark Twain's death, rumours in early 1976 that South Korea was insolvent were greatly exaggerated. But so is the new spate of reports which say that South Korea has caught up to where Japan was in the early 1960s, and is about to repeat the Japanese "miracle".

True, the parallel is not unjustified if you look at growth rates only. Growth in Japan averaged 9.3 per cent in the half-dozen years to 1960, whereas South Korea grew by 10 per cent a year from 1970 to 1976.

Seoul's new five-year plan (which took force with the New Year) looks forward to a doubling of GNP in five years to \$88bn. (up 66 per cent in real terms). But South Korea in 1977 and its economic (as well as political) prospects are not those of Japan in the early 1960s. Japan's real GNP tripled between 1960 and 1970. Korea's probably will not. Much is different.

● SHEER SIZE. At 1965 prices, Korea's GNP last year was \$10bn, a 5th, in real terms of Japan's GNP in 1960. There now are nearly 30m. South Koreans, as against over 90m. Japanese then.

● STRUCTURE. Japan in 1962 had 30 per cent of its labour force in manufacturing, contributing almost 40 per cent of GNP. South Korea in 1976, even after its great strides, still had only 21 per cent in industry contributing 31 per cent of GNP.

● INVESTMENT. The 58 per cent share of consumption in total demand for goods and services in South Korea is not unlike what it was in 1963 Japan. But in those days Japan managed to spend 40 per cent of GNP on investment. Korea only 27 per cent in 1976. As a share of total demand, Japan's investment accounted for 32 per cent and exports (still dominant) for 11 per cent. In 1976 Seoul was already channelling 23 per cent into exports and only 19 per cent into investment.

● TRADE. By 1976 Korea was well into its export boom. Exports were 31 per cent of GNP (imports a bit more), compared with 9.2 per cent in Japan as late as 1962 (imports 10.2 per cent)—or roughly the same as defence tax revenues. By 1981, South Korea's reliance on trade spending to around 7 per cent, future export growth may be of GNP. So, given the planners' insistence on a balanced budget, there will have to be some not duplication of the gains made by Japan in the late 1960s and early 1970s.

● SAYINGS. Korea's less-developed status is nowhere more apparent than here. Its propensity to save about 23 per cent of disposable income is over twice the level of Japan in the early 1960s (15 per cent). Just as glaring is the gap between the two in gross domestic saving as a share of GNP: 32 per cent in Korea (then) against 19 per cent in Japan (then) against 19 per cent in Korea (now). The disparities show up the much greater ability of Japan (after 1960) to finance its growth domestically.

● DEFENCE. Japan spends less than 1 per cent of GNP and less than 20 per cent of the budget on defence. South Korea cannot afford that luxury: Korea spent over 13 per cent of GNP annually (88bn. in all) on defence, and its posture is definitely offensive. Seoul, during the same period, spent \$4.6bn. or on average 4.6 per cent of GNP for defence. That would have been much higher without the presence of the Americans. Now, the expected reduction of American forces in

Korea is bound to mean a hefty increase in the defence burden. In the 1977 budget, defence takes 35 per cent of total expenditure (\$2bn.)—but only East market, the gamble of investing more, not less, of GNP against the cycle paid off. The hands-on dividends—\$7.5bn. worth of exports and \$1.8bn. of invisible receipts—pushed down the current account deficit to negligible proportions and pushed up foreign exchange reserves at the end of 1976 to \$2.94bn. (from \$1bn. in 1974 and \$1.5bn. in 1975).

South Korea's gamble was financed with foreign loan arrivals in 1974 of \$63bn., in 1975 of \$1.4bn., and in 1976 of \$1.5bn. (with another \$1.5bn. contracted in the latter year).

The new five-year plan aims at a "self-supporting" economy by 1981. It is not pie-in-the-sky, and one is compelled to draw two comparisons with (and lessons from) Japan: First South Korea can realistically achieve a 26 per cent rate of domestic savings to GNP, or enough to cover total investment in 1981. Seoul's readiness to borrow abroad and invite foreign investment will give it more capital, and will avert the resentment created by the anti-savings policy adopted by Japan once it achieved a surplus of gross domestic savings over fixed investment around 1964.

Secondly, Seoul is on target for a balance between merchandise trade and invisibles, and planners make no bones about learning from Japan's present predicament of a \$10bn. trade surplus and \$6.5bn. invisibles deficit. In the 1990s of rapidly growing world trade that imbalance was sustainable. Seoul thinks that in future it will not be.

Thirdly, South Korea may still fall short of industrialised status and just after the raw material resources abundant in the north just as Japan sought raw materials in the rest of Asia. The temptation to lay hands on

partly because of an early recovery of American imports, partly because Korean exporters were selling at rock-bottom prices to get new markets, and largely because South Korea was quick to detect and exploit the Middle East market, the gamble of investing more, not less, of GNP against the cycle paid off. The hands-on dividends—\$7.5bn. worth of exports and \$1.8bn. of invisible receipts—pushed down the current account deficit to negligible proportions and pushed up foreign exchange reserves at the end of 1976 to \$2.94bn. (from \$1bn. in 1974 and \$1.5bn. in 1975).

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HOME NEWS

Civil Service expansion halted says Government

BY DAVID CHURCHILL, LABOUR STAFF

THE RAPID GROWTH of the Civil Service in the past few years—up 7 per cent since the Labour Government took office in 1974—has been stabilised at just under 750,000, the Government said last night.

Benn says 85% of Round 5 oil profits will go to U.K.

BY KEVIN DONE, INDUSTRIAL STAFF

BRITAIN WILL be getting 85 per cent of the profits from any oil and gas discoveries made in blocks allocated under the recent fifth round of licensing Mr. Anthony Wedgwood Benn, Energy Secretary said yesterday.

BSC plans £73m. investment to increase output

BY ADRIAN HAMILTON

BRITISH STEEL yesterday disclosed plans to invest another £73m. to increase output of electrical steels at its Orb works in South Wales while phasing out production of this type of steel at Cookley Alphasil in the West Midlands.

Airline seeks to end cheap Scots fare

By Michael Dome, Aerospace Correspondent

BRITISH CALEDONIAN, the independent "second-force" flag airline, wants to withdraw the differential fare by which passengers can fly from Gatwick to Scotland for 25 less than the fare from Heathrow and Glasgow.

Dunlop plans £10m. expansion of U.K. truck tyre plant

BY PETER CARTWRIGHT, MIDLANDS STAFF

DUNLOP IS spending £10m. to modernise and expand its radial truck tyre plant in one of the biggest investments seen in the Midlands, providing a welcome £500m.-a-year U.K. tyre market.

Students at LSE defy court order

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

AS LONDON School of Economics students defied a High Court order to end their sit-in yesterday, the National Union of Students urged its 800,000 members to endorse the LSE protest.

Professor predicts self-assessed tax

BY MICHAEL LAFFERTY

A LONDON School of Economics professor, Prof. Alan Prest, said yesterday that the U.K. would be forced to adopt a system of self-assessment for personal income tax within 10 years.

Church fees probe post

THE ARCHDEACON of Bodmin, the Ven. Conrad Meyer, is to be chairman of a commission appointed by the Standing Committee of the Church of England's General Synod to re-examine the justification for charging fees for such Church duties as taking funerals.

Chrysler expects its British subsidiary to break even

BY JAY PALMER AND TERRY DODSWORTH

AN OPTIMISTIC message that Chrysler U.K. "turned around" and will break even this year emerged from its parent company in the U.S. yesterday.

Rahoy estate as deer farm

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE HIGHLANDS and Islands chairman of the Board, said that Development Board has bought Rahoy had disadvantages, such as a lack of deer which could mean poor spring grazing but the commercial potential of hill farms.

Glaxo pledge against new plant harming wildlife

BY OUR CARLISLE CORRESPONDENT

GLAXO, the pharmaceutical manufacturer, yesterday rejected fears that its new £14m. plant at Annan, in Dumfriesshire and Galloway, would be likely to have an adverse effect on the local environment.

Rise to £1.15 in 4-oz. coffee price forecast

By Stuart Alexander, THE AVERAGE supermarket price for a four-ounce jar of instant coffee will be £1.15 in midsummer, Nestlé forecast yesterday. It is already over £1 in some stores.

Large post-users oppose full Sunday collection

BY KEVIN DONE, INDUSTRIAL STAFF

THE POST OFFICE would re-service several companies have stored some Sunday collections, says the Mail Users' Association, But in a policy paper submitted to the Post Office Corporation it says there is a strong demand for a return to full Sunday collections, abandoned by the Post Office last May.

U.K. ECONOMIC INDICATORS

Table with multiple columns showing economic indicators for 1977 and 1976, including Unemployment, Currency reserves, Retail sales value, Industrial output, Trade and Industry, Bricks, Cement, TV sets, Radios, Furniture, Machine tools, Man-made fibres, Raw cotton, Consumer spending, Motor trade turnover, Building and civil engineering.

ARMCO International Finance Corporation. 7 1/4% Guaranteed Debentures Due 1980 Issued under Indenture dated as of April 1, 1968.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$1,811,000 principal amount of the above described Debentures have been selected for redemption on April 1, 1977, through operation of the Sinking Fund.

Table of Debentures of \$1,000 Each, listing serial numbers and amounts.

On April 1, 1977, the Debentures designated above shall become due and payable in full in cash or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

PARLIAMENT

Scrap the Bullock report, says Carr

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A PROPOSAL that the Bullock Report on industrial democracy should be scrapped and that legislation on a "genuine form of industrial partnership" should be presented to the Commons next year was put forward last night by Lord Carr, Conservative industrial spokesman in the House of Lords.

Speaking in the Lords debate on the Bullock recommendations, he made it plain that any legislation along the lines he suggested would have to follow a new round of open ended discussions between the CBI, the TUC and financial institutions.

Any legislation would have to be based on a minimum of compulsion and the maximum of voluntary action.

Lord Carr also launched the strongest attack on the majority findings of the report that has yet come from a senior Conservative.

In particular, he denounced the recommendation that worker-directors should be appointed by the trade unions.

This, he claimed, made a mockery of the term industrial democracy and could lead to shop stewards using such a scheme as a means to destroy the free enterprise system.

In reply, Lord Kirkhill, Minister of State in the Scottish Office, reiterated Government support for the report. But he carefully avoided giving an impression that it was committed to the unions having exclusive rights to choose worker-directors.

This provision would not come into force until two years after the Bill becomes law and the penalty for offending this provision would be a maximum fine of 500.

Mr. Page stated yesterday that it would not put the small independent insurance salesman out of business. It merely stoned him from describing himself as an insurance broker if he did not choose to register or failed to comply with the registration requirements.

He was perfectly free to use some other description such as insurance consultant.

The Bill now goes back to the floor of the House for the report stage and Third Reading.

It is not expected to encounter any serious opposition at this stage. It has the support of the Government, which is anxious for the insurance broking industry to regulate itself.

The provisions of the Bill follow very closely the proposals of the British Insurance Brokers Association for control and regulation of brokers which were contained in a consultative document published last November.

Insurance Bill ends committee stage

By Eric Short

INSURANCE salesmen, whether individuals, partnerships or companies, who do not register as insurance brokers will not be able to describe themselves as such or use similar titles, such as insurance brokers, according to the provisions of the Insurance Brokers (Registration) Bill now going through Parliament.

The Bill, a private member's Bill sponsored by Mr. John Page, provides for the registration of insurance brokers and sets out the terms under which they can register.

This includes demonstrating the necessary technical and practical experience levels and financial security, and sets out ethical standards, professional liability insurance levels, and the provision of a rescue fund for brokers in financial trouble.

The Bill concludes its committee stage yesterday with agreement that nobody who was not registered could describe themselves in any way as brokers.

This provision would not come into force until two years after the Bill becomes law and the penalty for offending this provision would be a maximum fine of 500.

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Written Answers

ENERGY

Mr. T. H. H. Skeet (Con., Bedford): In which countries abroad is the National Coal Board conducting explorations for coal or planning to do so.

Mr. Alex Eadie, Under-Secretary: At present the Board has no power to explore for coal outside countries of the European Coal and Steel Community, but I understand it is providing technical services in a company which has tendered for an exploration project in Queensland. There are prospects for coal development in various parts of the world likely to be of interest to the Board. It had the wider powers of the Coal Industry Bill 1977 but it would be premature to be more specific at this stage.

Mr. Michael Grylls (Con., North West Surrey): How much of the loan of £100m made available to British Leyland through the NEB, of which £30m was made available under section 3 of the Industry Act 1973, has so far been taken up?

Mr. Leslie Hunkfield, Under-Secretary: None.

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Committed

He recalled that Mr. Edmund Dell, Trade Secretary, had said that the Government was committed to the principle of worker-participation and to the trade unions' essential role in industrial democracy.

The Government, however, acknowledges that there is a need for a more flexible approach to the majority proposals in respect of the role of trade unions in industrial democracy.

Lord Kirkhill emphasised: "We wish to proceed on the basis of agreement, consensus and debate and to build on existing arrangements and procedures wherever possible. We recognise that this is an area which will need careful thought."

The Government would do its best to reach agreement on the basis of sensible arrangements which would command wide support.

The main need was to give the



LORD CARR: "A minimum of compulsion"

right by law for employees to have representation at Board level.

But that was not to say that the Government would seek to impose or reject the organisational framework of all major companies regardless of the situation or of the particular firm.

Lord Watkinson, President of the CBI, told the House that he had never seen such completely unanimous opposition among CBI members as there had been to the majority Bullock report.

He stressed that the confederation believed that the best way forward was along the lines advocated in the CBI policy document, The Road to Recovery.

This made proposals, containing legal backing, to enable large and small companies to set up industrial partnership schemes by whatever methods suited particular circumstances, beginning first at shop floor level.

Opening the debate, Lord Carr said that the majority recommendations of the Bullock Committee must be rejected because they were impracticable, unfair, undemocratic and would be the cause of endless and bitter strife. But that was no excuse for accepting the status quo.

There had to be a partnership between capital, management, and labour built from the bottom up. It should start with everyone having a right to full information.

Then it would lead on to

genuine consultation and to real participation in decision-making. Eventually, it would mean real accountability for a company's basic strategy and philosophy. This structure could not be built in a day, a month, or a year.

But exhortation was not enough. A consensus had to be reached, and to achieve this, the Government should clear the stage and then enter into genuine open-ended discussions with the CBI, TUC and the financial institutions which were best able to represent the genuine interest of shareholders.

The objective would be to produce a Green Paper for public discussion well before the end of this year.

This would be followed by a White Paper containing more or less firm proposals and including a first exposure draft of any legislation which may be necessary in the first half of next year.

The intention should be to initiate administrative and legal action in the 1978-79 session of Parliament.

The key to success would be to proceed stage-by-stage in making a plan, action, for only a few years at a time.

Outlining the type of scheme he had in mind, Lord Carr said there could be a legal framework which formally recognised a duty to take into account the interests of employees as well as shareholders.

Agreement

It could lay on all companies above a certain size a duty to reach a participation agreement within a given time. There would also be a duty to disclose information to employees equivalent to the present duty on disclosure to shareholders.

Independent machinery could be set up to provide guidance on the sort of schemes which have been found to work well. The intention was that all employees would be given a time limit, this independent body could arbitrate on what scheme should be adopted.

The result would be that looking downwards from the Boardroom, directors would have to take into account the interests of employees who were fully briefed and given genuine opportunities to participate in decisions directly affecting their own lives.

The Board would have to be more effectively accountable to representatives of shareholders and employees for its major strategic decisions and the general operating philosophy of the company.

A happy sense of timing...

BY PHILIP RAWSTORNE

WITH a happy sense of timing, Mr. Neil Carmichael, the development secretary of the Scottish Labour Party, yesterday presented his Presumption of Death (Scotland) Bill to the Commons.

A Bill "to make fresh provision... in relation to the presumed death of missing persons," the Order Paper briefly explained.

Its introduction, less than 17 hours after the Government had lost some 40 votes on the question of the Scotland and Wales Bill, was given a hilarious and enthusiastic welcome.

For the presumptive demise of the Government's devolution plans had earlier overshadowed Scottish question hour.

Mr. Bruce Millan, the Scottish Secretary, suggested that the Government should have consulted the Scottish Executive before the Bill was introduced.

Mr. Millan declined the invitation—but not the opportunity it offered to join some Labour MPs in condemning the "betrayal" of the Government.

The Liberal's behaviour had been "shabby and unprincipled," cried Mr. Norman Buchanan (Lab. Renfrew W.). Mr. Millan agreed they had "rattled on their promises."

Liberal leader Mr. David Steel, seeking a reduction in the number of Scottish Ministers and civil servants, was later informed that there would be—when the Bill was enacted.

Would the Secretary of State vacate his post if the legislation were abandoned? queried Mr. Gordon Wilson, the Nationalist MP for Dundee East.

Mr. Millan wryly remarked that the Government was not inviting applications for a successor yet.

The Scottish Ministers then returned to the offensive with Mr. Dennis Skinner (Lab. Bolton), against the Tories. The Tories had been "whipped through the lobbies" by their leader in an attempt to inflict electoral embarrassment on the Government, Mr. Skinner said.

And the Tories, jovially surviving the shambles, shouted "Rubbish" almost as if they meant it.

As for the Labour rebels—well, theirs had been a "principled stand," Mr. Skinner suggested. The Government front bench scarcely appeared comforted by that explanation for their missing votes.

Mr. Jim Sillars, the independent Labour MP for Ayrshire South, warned that it would not be enough to enable the Labour Party to avoid its share of blame in Scotland for the nonsense that had ensued.

Mr. Reg Prentice, the ex-Cabinet Minister, referred to his clash with his constituency Labour Party management committee at Newham North-East in supporting the view that minority interests were gaining too dominant an influence in the Labour Party.

He thought that some version of the American primary elections or something similar to it might be adopted with advantage in Britain to improve the present method for the selection of candidates or de-selection of sitting MPs by the parties.

Mr. Prentice also endorsed the need for greater continuity in central policies and argued that a commonly accepted price and incomes policy had been operated over the last 13 or 14 years—instead of the U-turns which had taken place—Britain would not have suffered so severely from inflation.

He, too, welcomed the defeat of the devolution bill as a "victory for Parliament" and with it the reminder that no Government could govern without the consent of Parliament.

There is a fundamental reform of existing institutions, he hoped that all MPs would resolve that in future there would be "more occasions judged in light of their merits and not in accordance with what the Whips tell them."

LABOUR NEWS

TUC abandons claim for union voting rights on councils

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

THE TUC has given up its demands for trade union voting rights on local authorities in the face of pressure from the two main political parties and opposition from the local authority associations.

The proposal is aimed at satisfying TUC aims for greater worker participation generally without interfering with the elective process.

It was drawn up by a TUC Labour Party working party and announced yesterday by the TUC general council and the Labour Party national executive.

It represents probably the minimum that the TUC will now settle for. The next step will be to persuade the local authority associations to agree to it. A meeting is to be held shortly.

With or without local authority agreement, the document endorsed yesterday will go forward to the Department of the Environment which is overseeing this aspect of the Government's industrial democracy inquiry in the public sector.

The document envisages a change in the law to enable workers to sit on committees, but not a mandatory statute. In this respect the plan resembles the Bullock Committee proposals for worker directors in private industry.

Basildon Council, in Essex, has already introduced an advanced worker participation system and the Greater London Council is moving down the same road.

Mr. Nicholas Goodison, chairman of the Stock Exchange, said yesterday that the Bullock proposals did not seem to be about industrial democracy or the hopes and fears of real people.

They were instead about the further advance of trade union power, he told the London Junior Chamber of Commerce.

More laid off through Leyland strike

By Alan Pike, Labour Staff

THE EFFECTS of the Leyland toolmakers' strike worsened: the Longbridge, Birmingham factory yesterday as the dispute continued in spite of a call from the Amalgamated Union of Engineering Workers executive for a return to work.

Lay-offs at Longbridge where Allegro production is halted, rose from 2,000 to 3,700 yesterday when workers in the engine and gear sections were sent home. Production at the other Leyland Car factories when toolmakers are on strike has not yet been affected by the dispute but the situation could change rapidly in the event of a machine breakdown.

Leaders of the unofficial toolroom committee around the strike have no plan to bring forward their next meeting, scheduled for Saturday although the AUEW executive on Tuesday instructed them to do so. It is unlikely unless there are new developments that Saturday's meeting will result in the strike being called off.

The toolmakers are seeking action on differential problems and the establishment of separate, company-wide negotiations for toolroom workers. This would not bring immediate improvements but would help establish toolmakers as the elite of skilled workers for the future.

In addition to the toolroom strike, Leyland is faced with a dispute over the new apprentice hitting Martini production at Cowley and Triumph in Coventry. All 8,000 workers at its Leyland Lances, bus and truck factories will be laid off from tomorrow because of a dispute over the new apprentice drivers' strike unless the dispute is solved at a meeting of the men to-day.

All this is contributing to an atmosphere of increasing concern among officials in Whitehall and the National Enterprise Board about industrial relations in British Leyland.

Mr. Brian Mathers, MP for regions secretary of the Transport and General Workers Union, is considering a petition from shop stewards at Leyland's Cowley assembly plant which expresses lack of confidence in branch officials. He has also received a report from the TGWU's Oxford district secretary, Mr. David Buckle.

Hewlett drops plan for extra pay

BY OUR LABOUR CORRESPONDENT

AN AMERICAN electronics company, Hewlett-Packard, has dropped a plan to pay its 1,100 employees a 18th month's wage after being told by the Department of Employment that the plan would breach the voluntary incomes policy.

The company had intended to start paying its employees in advance instead of in arrears. They would have got their salary cheques for February on Monday as usual—all are paid monthly—and the following day would have been paid for March.

Hewlett-Packard has already criticised pay restrictions because of its difficulty in attracting or retaining skilled engineers.

One of the objections raised by the Department of Employment when officials met the company this week was that advance payment salaries would allow employees to invest it and make some more money.

The company has told the Department that it will consult it before contemplating any other payments.

It had maintained that the plan did not mean any increase in salaries, but said that it would have written off the extra month's wage if pay restrictions were lifted.

The company employs 680 people at its South Queensferry plant in Scotland and another 400 sales and service staff.

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'Proban'-treated cotton is used in areas such as steel mills and foundries, where more comfortable protective clothing can help to improve efficiency—and well-being. Other areas where a durable flame-retardant is vital are transport, institutional furnishings, hospital bedclothes and children's nightwear.

Albright & Wilson's 'Proban' process contributes to our exports too: we sell the complex 'Proban' chemicals throughout the world.

We manufacture other flame-retardant products to meet industry's needs in plastics, timber, paper and wall coverings, conveyor belting and hydraulic fluids.

Albright & Wilson serves a wide range of industries: whether you're in steel-making or soft drinks, paint or plastics, it could be in your interests to get to know us.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

CONSTRUCTION

Pipework movement predicted

AS DISTRICT heating schemes expand under the impact of ever-increasing fuel costs, the need for pipework with greatly extended operational life will become more keenly felt because manual intervention to repair a failure is expensive and downtime in severe weather highly unpopular, particularly where alternative means of supplying heating and hot water are restricted.

Pipe in pipe systems without an air gap present some difficulties because expansion in them is not a simple process. The steel inner pipe has one rate, the polyurethane foam packing another and the outer polyethylene pipework yet a third. All are, however, bonded together to form a composite which is buried in the soil. This has a restraining effect on expansion, particularly at elbows and other joints where the pipe or pipes change direction.

Suppliers and layers of Thermopne and Perma-pipe materials Pipe Conduits of Watford believe they have hit on a method of assessing pipe-laying conditions which can prevent many if not all the problems associated with composite pipe-work.

They claim that suppliers of such materials generally take an arbitrary view of the extent to which the composite will try to expand and the degree to which this movement will be restricted in the ground. If the amount of movement is overestimated, provision for expansion will be unnecessarily expensive. On the

other hand, should the amount of movement be more than allowed for, the pipework will buckle and the casing might fracture, letting water into the insulation and causing heat loss and corrosion.

Pipe Conduits has carried out a series of tests to find out the actual resistance to movement through the ground of pipework at different depths of burial and to determine the strength of different types of fittings and joints so as to delimit the amount of movement possible before overstressing can take place.

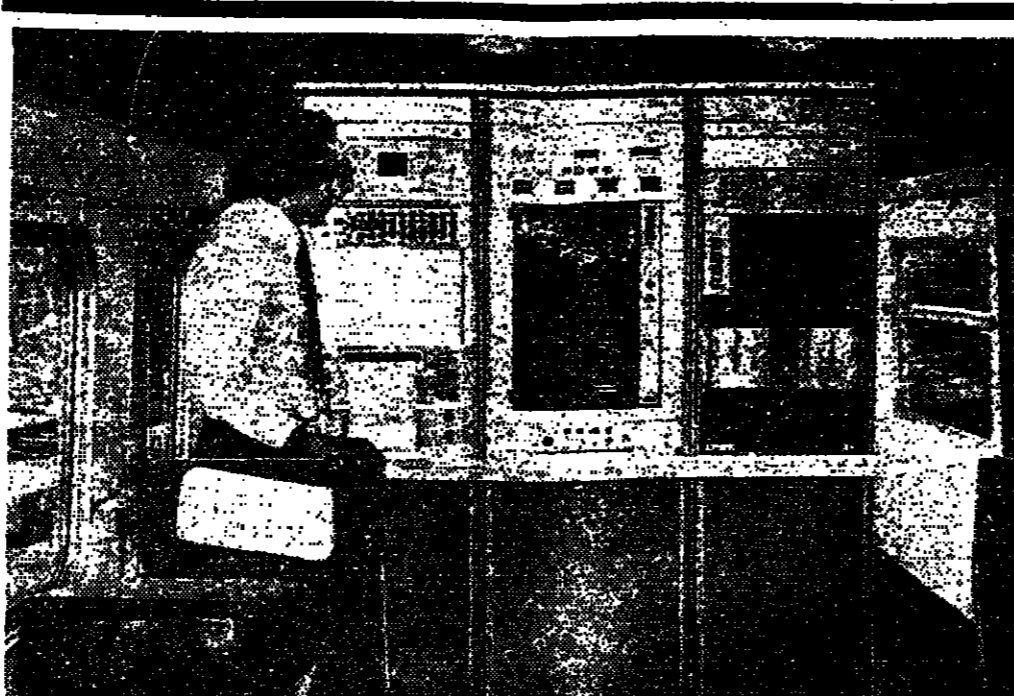
All this information has been codified into a computer program and it is now only necessary to feed in variables such as operating temperature, size and thickness of pipe, strength of fittings and depth of burial to derive immediately the maximum length of pipework that can be installed without risk of failure.

The program will also tell users whether the limiting factor in each case is the strength of the fitting which is being pushed through the ground by expansion movement, or the strength of the pipe itself, which could otherwise have buckled if ground restraint were ignored.

The company indicates that results so far obtained show that some of the arbitrary expansion considerations in current use lead to potentially overstressed pipework where the risk of failure must be higher than users would knowingly accept.

Thermo pipe and Perma-pipe are of course not confined to district heating and are applicable to most process fluids either hot or cold. Heat transfer is low and losses in the case of a heated fluid piped from a centre to consumer points loss is typically under 3 per cent. of station output.

More information on the program and the materials to which it is applied from Pipe Conduits at St Albans House, 151 The Parade, Watford, WD1 1NJ, Watford 33661.



Able to check track conditions when the coach in which it is installed is running at 125 mph and more is this equipment which was designed for the chief civil engineer of British Rail at the Derby Railway Technical Centre. During the journey, the electronics detect and record 12 different parameters which indicate track conditions. Deviations are picked up by a group of opto-electronic camera units by integrated photomatrix to look at gauge and curvature among other details. The on-board processor analyses and records deviations to within one-fiftieth of an inch over each three inches of track and at the end of each run, the recordings are examined to provide the best possible deployment of maintenance resources. The equipment is so designed that it can be

required, spray the track at any point where the levers are exceeded. The track recording coach hitches a ride behind any scheduled passenger train and measures the track quality during the journey. The intention is to run the equipment over about 100,000 miles a year—the total track length is 21,000 miles. With the ultrasonic test train, which detects cracks in the rails, for which an automatic analysis system is being designed, BR is offering a complete package which must be of major interest to railway systems all over the world and particularly in the U.S. where many tracks for one reason or another have deteriorated into a sort of switchback. SNCF in France is already using the U.K. equipment to test the track on the high speed Paris/Lyon route which is to carry TGV 001 turbo-trains at peak speeds of 185 mph.

TRANSPORT

Perfect timing guaranteed

WORKING with Ford Motor Ford's new test system is based on two General Automation SPC-16/45 computers. Only one is necessary to run the system, but a duplexed facility has been installed to ensure against a costly stoppage of the engine assembly line. The computers are linked to 14 operator consoles in the engine hot test area

at the end of the production line. Various functions are checked while the engine is running under its own power on petrol. This is the last stage before the units are crated and exported for installation in Fiatas at Saarlouis in Germany.

More from General Automation on 04446 43421.

STEELMAKING

Samples analysed fast

PRODUCTION of high value alloy steels, already soaring ahead at British Steel due mainly to favourable exchange rates for the pound, will be further boosted when the £130m. Tinsley Park, Sheffield, plant comes on stream in May.

Apart from modern electric furnaces with continuous casting able to make 120 tonnes of steel every 21 hours, the plant will have the advantage of an on-line computerised analysis laboratory believed to be the most advanced of its kind so far devised. Thus the corporation will be able to respond to the cost-quality onslaught made by the Japanese and others in recent years with

every hope of restoring the U.K. to its former position in special steels markets. Equipment worth about £1m. has been installed by Rank Hilder, the biggest project in this field that the company has yet undertaken. Centred in a pair of E1000 vacuum emission spectrometers, the analysis laboratory makes use of three DEC mini-computers and is able to carry out a sample analysis once every half minute.

Main purpose is to provide a real time analysis service to the furnace staff over teletypewriter links: over the period of the melt a number of analyses will be made so that precise adjustments to additives becomes possible with consequent savings in the use of expensive metals such as chromium.

Each spectrometer has its own PDP 11 computer the function of which is to calculate the concentrations of up to 20 elements in the sample and apply the necessary corrections. The operator loads the sample and keys in the sample number provided; this is validated by a central PDP 11/35 which also contains a historical analytical data and is able to throw up on the operator's visual display unit the results of any previous samples for that melt. Thus the operator can see trends and anomalies.

In a standby mode is a second E1000 and dedicated PDP 11, also connected to the central machine, providing a high degree of integrity of the whole system.

The central PDP 11/35 is connected to a switching unit and then to the furnace printers where the operators can immediately see the results of analysis. There is also a connection from the switching exchange to the main site process control computers so that the data is available for those controlling the whole plant. In addition, the E1000 operator can "talk" to the furnace staff from his keyboard via the transmission exchange.

The system is able to accept samples from three furnaces. Identification and manipulation being carried out by the computer.

The important point about the equipment, states Ken Rippon, Technical Manager, is that it provides immediate, rather than post mortem, analysis and is accurate, reliable and foolproof. It has been designed to meet the needs of stainless-steel and continuous casting (SMAC), but can be expanded to cope with additional and analytical instruments and could be integrated with other computer systems.

GEORGE CHARLISH

PACKAGING

Four sacks a minute

A SEMI-AUTOMATIC prepacking platform developed by Dell Engineering, of Andover, Hants, is capable of filling paper or plastic bags of 28 lb capacity upwards, at speeds up to four sacks a minute.

The basic unit consists of a 140 cu. ft. capacity hopper, an electrically-driven reciprocating feeder, scales, bagging funnel, bagging table and filler chute. The filler is sufficiently accurate to eliminate the need for loading a give-away quantity in the container, to meet pack/weight legislation.

In operation, a bag is fitted to the funnel and the start button depressed. Just before the pre-set correct weight is reached the machine stops. The operator can either top-up manually or with an inch button. The bag is released, a new one attached, and the start button pressed. While the new bag is filling, the operator seals and stacks the full bag.

Details from Portdown Engineering and Marine Sales, 69, Hill Road, Portchester, Hants (07018 77330).

INSTRUMENTS

Vibrations kept at bay

THOSE who need to keep a check on the vibration produced by rotating machinery, such as generators, alternators, pumps, compressors, gearboxes and turbines will be interested in a monitoring equipment developed by Bell and Howell.

Called the BHL 1000, it has been built and tested to standards laid down by Rolls-Royce and is now recommended together with the appropriate Bell and Howell transducers, as the standard monitoring equipment for the engine company's industrial and marine gas turbine installations.

A two channel design, it incor-

PACKAGING

Pack filler for powder

SMALLEST IN the range of fillers marketed by Freeflow Packaging is the PPL, which is a manually operated unit for the dust-free handling of almost any type of powder, such as, cosmetics or other fine powders.

The new unit is said to be capable of meeting most output requirements, and to be suitable for glass bottles, jars, cans, flexible or rigid plastic containers, composite drums and cardboard boxes, from 0.05 kg to 5 kg capacity.

Filling is vacuum assisted. A new recommended together with the appropriate Bell and Howell transducers, as the standard monitoring equipment for the engine company's industrial and marine gas turbine installations.

A two channel design, it incor-

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porates CMOS logic and a range of filters to match specific applications. Both channels provide three buffered output signals directly proportional to the average velocity of the monitored vibration. Individual channels provide alarm and trip facilities and the design includes alternative modes of "fail safe" or "fail-act" operation of the alarm and trip relay. More from Lennox Road, Basingstoke, Hants RG22 4AW (025 20244).

Laser drill works fast

ONE of the difficulties of employing the full potential of industrial lasers has been the difficulty of presenting to the beam parts and components with the speed and precision needed to match it.

Using a combination of engineering expertise, optical know-how and laser technology two companies, ZED Instruments and Coherent Radiation, have produced a handling system which should make lasers cheap to use.

Typical drilling speeds 1,200 holes/minute, but this rises to 10,000 in suitable applications. Holes may range diameter from 0.15 to 0.5mm and up to 20 different shapes can be programmed. Interlocks protect the operator and the machine has been designed for use in a normal industrial environment.

The system incorporates a carbon dioxide laser which can be pulsed at speeds up to 23 kHz.

Details from ZED Instruments, 76, Crown Road, Twickenham, Middlesex (01-891 0019) or Coherent Radiation, 13 The Ma Bar Hill, Cambridge CB3 9JL (0954 51195).

PRECISION RIVETING SPEEDS PRODUCTION

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FINANCIAL TIMES SURVEY

Thursday February 24 1977

West Midlands

The economic performance of the West Midlands, with a higher proportion of industrial workers than any other region, is an important pointer to the health of the nation. At present it is still grappling with problems caused by recession.

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Arthur Smith
is Correspondent

EMPLOYMENT IN the West Midlands has at last fallen below the national average. While for some consolation, it can do little to boost confidence in a region which is cautiously optimistic about its post-war recession. Companies are looking for modest growth in output, major investment projects are underway, and exports are performing well. Movement is from a low here is still widespread capacity and most fore-

When the much desired demand will come seen repeatedly shifted. West Midlands, with a population of 5.18m., is at the heart of the nation's curbing capacity with a proportion of industrial jobs than any other region. The local economy, which embraces such sectors as engineering, and manufacturing industries, is a pointer to what is happening at the national level.

The region is much more diverse than Coventry/Birmingham area which sprawls like a AS towards the industrial Black Country and Leicestershire. From the market of Oswestry and Hereford west, it stretches across the counties of Hereford and Shropshire, Staffordshire, Warwickshire to the district of Evesham and towards the south. A major tourist area, the region towns such as Warwick and Stratford-upon-Avon.

Very diversity adds to the region's attractiveness and independence of the Midlands which is undaunted by the setbacks of recent years. The crisis which some 18 months ago engulfed the big cities of British Leyland, Ford and Alfred Herbert is highlighted by the dependence upon manufacturing industry but also attention to a trend which has been going on for some time. The study by the economic Commission for the West Midlands pointed out that the Midlands—though widely known in the public mind as a region of the post-war boom years—suffered a 10-year period of net output and low in-

vestment per head, coupled with high wages relative to other regions.

Evidence of the relative decline was provided by the fact that the region had moved from a position where it was generally the last to be hit by recession and the first to recover to one where it suffered more seriously. Indeed, from the summer of 1975 unemployment within the region was higher than the national average and in places like Coventry and Wolverhampton approached the levels of the developed areas.

The position has now improved, with unemployment standing at 5.8 per cent. compared with a national figure of 8.1 per cent., but it has not been enough to still the debate about whether there has been a fundamental change in the regional economy.

Certainly the economic planning Board and planning authorities' conference consider the issues worthy of further study and have called for a revised regional strategy to replace the document drawn up in 1974.

Forecasts

Since that date population forecasts have been revised downwards; 1975 saw the first peace-time drop since 1801 and a growth of only 78,000 is expected by 1988. More serious, the new plan must take account of the nation's economic problems, the drastic cutback needed in public spending and the low level of industrial activity and employment growth.

Another important factor will be the changed attitudes towards the economic and social problems of the inner city areas. Decisions are expected within the next few months from the ministerial committee set up by the Prime Minister under Mr. Peter Shore, the Environment Secretary, to look at the problems of the conurbations.

Birmingham is one of the cities which has suffered most from the outflow of jobs and people, and the creation of whole districts characterised by high unemployment, an unbalanced population structure, poor housing and social problems. Mr. Shore has not underestimated the complexities of the issue and has made it clear that any money required for renewal programmes must come out of the total already allocated for public spending.

A linked issue is that of overspill and the future of the third generation new towns. The review initiated by the Department of Environment means that consultations are already underway with local authorities about the population and employment targets for Telford and Redditch. The latter has proved one of the successes of the new town policy and should anyway be within reach of its projected target population of 70,000 within the next four years or so.

The target date for completion of the revised strategy plan examining the prospects

for the region over the next few years is early 1978.

The steady if unspectacular improvement of the local economy over recent months has taken much of the steam out of the campaign for special treatment for the region but there is still concern that its relative position should not be allowed to slide further.

Blame for the West Midlands problem has been laid squarely upon regional policy and the system of industrial development certificates designed to steer growth industries to the assisted areas. The result, according to bodies such as the Chamber of Commerce and the Confederation of British Industry, has been to deprive the region not only of its own growth firms but also of new technology-based industries.

The Department of Industry has taken the message on board and certainly over the past 12 months IDC's have been fairly readily available in the region. The concern is that the policy will be tightened once the national economy begins to expand.

Criticism voiced about regional policy from places like Birmingham has not fallen on deaf ears within Whitehall for a fundamental shift in the way State assistance is allocated has been underway over the past 12 months or so.

Given the extent of the industrial problems and the vast areas of the U.K. granted assisted status, the emphasis has been switched away from purely regional aid geared to job creation towards a more selective approach. Within the framework of its broad industrial strategy, the Government is offering aid as an incentive to raise productivity and export performance.

No region has benefited more than the West Midlands from selective assistance such as that offered under the Accelerated Project Scheme, now succeeded by the Selective Investment Scheme. Extensive finance has been provided under the measures to promote investment in the ferrous foundry, machine tools, and clothing industries. The West Midlands is also likely to be in the forefront of applications under the recently announced scheme to help the non-ferrous foundries.

Employment

Government money has also been pumped into the region by the major rescue deals to save British Leyland, Chrysler, Alfred Herbert, and the Meriden Motorcycle Co-operative. Upon the success of the plans for the two major motor manufacturers will depend much of the region's future for the vehicle industry accounts directly and indirectly for around 15 per cent. of total employment in the West Midlands.

At Chrysler, where the successful Alpine is in production, industrial relations and morale have improved dramatically over the past 12 months and prospects, under the planning agreement drawn up jointly by management and trade unions, are encouraging.

Problems at Leyland Cars, despite a strong range of models including the sward winning Rover 3500, are the familiar ones of low productivity and poor output. Mr. Derek Whitaker, the managing director, warned workers this month that the company was at a crossroads. Output had been affected "catastrophically" in six of the past seven months by disputes within the company or by component suppliers.

Leyland workers are leading the shopfloor movement for an end to the social contract and a return to free collective bargaining when the current phase of pay policy ends on July 31. It is difficult to see what initiatives management can take to tackle the problems of pay differentials and anomalies among the 120,000 strong workforce, given the present pay restraints. A generous fringe benefit deal under which manual workers would get improved sickness, lay-off and redundancy benefits in return for a commitment to cut down

unofficial stoppages and absence has been rejected. The chances of salvaging something from the deal look remote, but only through such a broad ranging package will it be possible to begin to reform the present chaotic structure of pay and negotiations.

The importance of Leyland to the Midlands was underlined recently by Mr. Alex Park, managing director of the parent company, who pointed out that 70 per cent. of this year's £200m. investment would be spent in the region.

Another traditional West Midlands industry but one of increasing importance to the region is vehicle components manufacture. Local companies were responsible for an output worth £557m. in 1975 which made a significant contribution

to the £530m. surplus which the U.K. industry enjoyed in overseas trade.

But for West Midlands industry as a whole the picture is fairly mixed. Many companies, particularly in heavy engineering, machine tools and consumer durables, still have considerable spare capacity. The main constraint on output is weak home demand coupled with vigorous competition in overseas markets.

Cautious

Nevertheless, efforts to break into new export markets are continuing and many companies, particularly in mechanical and electrical engineering, are optimistic of improving their performance. There is no shortage of finance for investment but firms

are taking a fairly cautious view of the future. Demand is expected to increase only slowly over the next 12 months and the main hopes for an upturn are pinned on an expansion of the international economy by the end of this year.

Prospects for employment are not very encouraging. Few companies envisage markets improving quickly enough to justify taking on new labour.

The West Midlands has undoubtedly emerged from the worst of the recession but the mood is still very much one of wait and see. This attitude is unlikely to change quickly, given the uncertainties which hang not only over the future of pay policy but indeed over the whole of the Government's economic strategy and indeed

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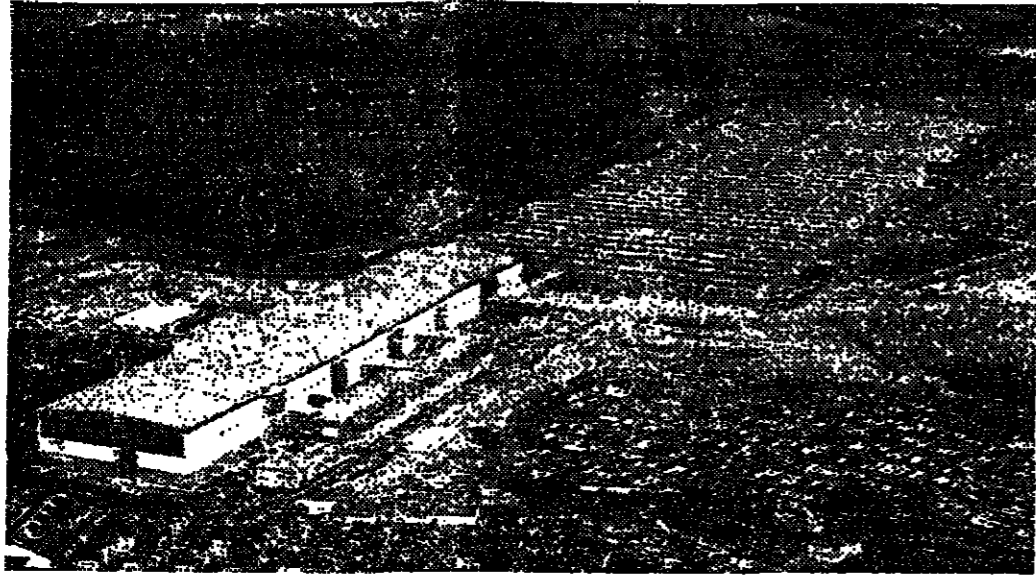
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WEST MIDLANDS II

Slow recovery for the car giants

THE STRENGTH of the West Midlands motor industry can be illustrated by one fact about the Scottish car and truck production concerns which were set up through Government intervention in the late 1950s and early 1960s. Nearly 90 per cent. of the components which are used in these two Scottish operations—the British Leyland truck and tractor plant at Bathgate and the Chrysler complex at Linwood—have to come from south of the border. And most of these are from the Midlands.

It is the integration of the motor industry in the Midlands which gives it its particular importance. In the relatively small triangle between Birmingham, Oxford and Coventry, the vast majority of the country's cars are made: and the same area encompasses the main production sites of the leading component manufacturers as well. Any action which affects the assemblers also affects the component producers, and vice versa.

Thus all these companies have felt the tightening effects of the last three years' recession in the industry to a greater or a lesser degree. There have been 7,000 to 8,000 redundancies at Chrysler, and probably another 15,000 net at British Leyland (the company is now recruiting again) in the same area. But while the component companies have also had to slim down in response to declining car production schedules, they have had by no means as difficult a time as the car assemblers.

This is because the component manufacturers have moved aggressively into export markets in recent years just at

the time when the U.K. car assemblers' efforts have slackened. Component sales have gone up sharply in a way which partly compensates for the relative stagnation of car sales overseas.

Jobs

The future of the Midlands motor industry, however, clearly depends on the success which the car assemblers have in pulling out of the present recession. This in turn means that the Government reconstruction schemes at British Leyland and Chrysler have a vital role to play. It is these two companies which account for virtually all the vehicle assembly in the area, and unless they can emerge as reasonably strong concerns with a secure future, the jobs in these companies, and the future of their suppliers, must be put in question as well: component manufacturers exist in a close relationship to the vehicle producers, only one stage back along the scale of boom and depression.

The crisis which struck both British Leyland and Chrysler in 1975 was the result of the failure of the U.K. industry to keep up with international competition. The country's nearest competitors, in the Common Market, developed larger production units and more international sales organisations partly by virtue of belonging to the larger market grouping.

From being in a leading position in the early 1960s, the British industry fell rapidly moved aggressively into export markets in recent years just at

the time when the U.K. car assemblers' efforts have slackened. Component sales have gone up sharply in a way which partly compensates for the relative stagnation of car sales overseas.

In an industry in which the benefits of large-scale production are self-evident, the failure to go forward has had crippling effects. Without long-term investment to rationalise its production runs, a company cannot earn sufficient return on its investment to rationalise its product range, introduce new models and spend money on developing its distribution network. British Leyland, in particular, found itself in this position: the task of getting into Continental Europe with a strong sales organisation proved insuperable. And at the same time it was suffering from having its own market share in the U.K. undermined by the predatory efforts of the Continental manufacturers.

The Government schemes for these two companies will therefore concentrate on developing new ranges of products in better equipped factories. They have both been bought time by the new injection of money. At the same time, running alongside the investment programmes, there is a stated intention to improve productivity by raising the amount of output from the existing workforces or, in the case of British Leyland, pushing through new deals which could involve a further reduction in the number of workers.

Both schemes are long-term—the Government will be injecting money into Chrysler for another three years, and into British Leyland for up to another six—so as yet it is not easy to see much progress. Taking the whole of the British vehicle industry, productivity fell during the first three quarters of 1976, and car

production in absolute terms rose by only 3 per cent—the biggest rise coming from Ford, followed by British Leyland. Chrysler's production has still not recovered from the great upheaval which has ensued from the decision to switch the Avenger production lines to Linwood in Scotland, and bring the Alpine into the U.K.

Rescue

This very slow recovery in production is no worse than was expected in the rescue plans for the two companies. But the disappointing feature is that it has occurred against an unexpectedly buoyant European market for cars: it is fair to assume that, if the British companies had been more flexible and able to take advantage of the situation, they would have been able to capture more of the extra sales implied in the 13 per cent. market increase.

This year, however, there are hopes of a substantial further recovery in output, with a general aim of raising British car production by about 30 per cent. Chrysler, certainly, should make a substantial recovery from last year's levels, since the major plant reconstruction work is now over, and the company is building up towards the launch of its own new model in the late summer. British Leyland should also begin to produce the Rover 3500 in reasonable volume this year, although a major impact on the company's total output can only be made if it manages to overcome production disruption in its larger volume vehicles such as the Mini, Allegro, Marina and Princess ranges.

Some decisions of lasting significance in British Leyland's

fight to remain a major European producer, already been made. The vital is to remain in the sector of the market, and land has already had success in pushing through a plan to make Longbridge into a car plant, making the Mini its replacement; in order to this, the Allegro will be for assembly purposes, to Senefla factory in Belgium.

Leyland has had a success to persuade the unions to accept the Allegro lines to be made. But it is still having considerable trouble in its attempt to reorganise production in plants—parts of the V-Bromwich body production, for instance, have on strike over redeployment of some painters, and the Jag workers have disrupted production in various ways over a move all painting of the West Bromwich.

These are the kind of problems which Leyland will inevitably face as it gets deeper into its reorganisation plan, if the reorganisation plan, if redeployment of resources therefore of labour. The company hopes that its new production methods will help to come the problems of disengagement with labour, but at moment there is a clear danger of further trouble. At the time, the whole question of Leyland's wages and conditions of employment could be dragged into the debate of Stage Three of the incomes policy. Leyland's success in solving these problems will a large degree determine the health of the Midlands in next year or two.

Terry Dodswell

Components show the way

THE WINNING of the world racing driver's crown by James Hunt gave a much needed boost to the sagging British morale. What was much less appreciated was that British component suppliers could take justifiable pride in having helped the rival Ferrari stable to carry off the world manufacturers' championship for Formula 1 cars. Among the British-made equipment they relied on were brakes, clutches, fuel injection and

The racing and rallying circuits of the world have been the proving grounds of much of the prototype equipment that has kept U.K. component suppliers in the forefront of advanced technology and helped to win significant shares of many world markets. They had a tough, highly competitive upbringing in supplying the expanding British vehicle industry with cheap and reliable parts. Assemblers like British Leyland, Ford and Chrysler still buy from outside up to about 60 per cent. of their needs, and in this respect are unlike their Continental counterparts, who manufacture a much higher proportion of components themselves.

Trend

This independence has stood the U.K. components industry in good stead. Faced with the uncertainties of the strife-torn motor industry it has in the past decade begun to look much further afield for its customers. This trend was given urgency by the three-day week, which lopped some 200,000 vehicles off the production programme, and more recently by the oil crisis. To-day leading suppliers like Guest Keen Nettlefold, Lucas, Dunlop, Wilmot Breeden, Autotek, Autotech, Autoproducts and Associated Engineering—all of them situated in the Midlands heart of the motor industry—derive up to one-third or more of their pre-tax profits from overseas ventures. These have taken a variety of different forms. When the U.K. motor industry first began to export seriously after the war major component suppliers built up their spares and replacement service. A collective manufacturing presence in the fast growing European market achieved real impact with the development of the Common Market, particularly since Britain joined.

Building on the experience in the Commonwealth, and later with the European Free Trade Association, through which the U.K. became leading suppliers to Volvo and Saab, British component makers have gone

to establish strong links with all the major European vehicle makers. While overseas manufacture is sometimes undertaken by subsidiaries, it is mainly through joint ventures with indigenous companies. Further afield in Brazil, for instance, and Japan, it tends to be organised through manufacturing licensing agreements to overcome organisational, technical and other difficulties or to conform to national policies.

Result

The result of this more imaginative and aggressive marketing has transformed the components industry in the past decade. In 1975 nearly half GKN's total exports of £118m. were automotive components like gears, cam shafts, wheels, transmission parts and connecting rods. Last year's shipments are expected to be appreciably higher. Of Lucas's vehicle equipment turnover of £570m. in 1975-76, £112m. came from direct U.K. exports. Wilmot Breeden, one of the first into the Common Market, has manufacturing interests in France, Italy and Spain and is now tackling the American market. In 1975 more than £1.5m. of the £2.5m. pre-tax profit came from overseas, and only once in the past six years has overseas profits failed to top those in the U.K.

Some 25 per cent. of a Volvo shipped to Sweden through the East Coast port of Immingham at the rate of £61m. annually. To-day the percentage used by other major European vehicle producers is estimated to be more than 12 per cent. in many cases, and is growing. Altogether the component makers have taken the U.K. automotive industry to a healthy balance of payments situation in which £2 billion has been earned overseas for the motor industry—derive every £1 worth of vehicles and to one-third or more of their parts imported. This is despite the fact that last year a weak pound helped to speed up imports by 72 per cent. to more than £886m. Component imports registered a 43 per cent. rise to £351m. to help bring the grand total of imports to £1.6bn. Total U.K. exports, however, were £3.2bn., of which nearly half—£1.5bn.—were contributed by components and accessories. Further export gains by the component makers are confidently predicted, and indeed are almost certainly needed if expansion is to continue, for U.K. car production is not expected to grow more than marginally in the next year or two.

In the past six years 2.6m. foreign cars have been imported

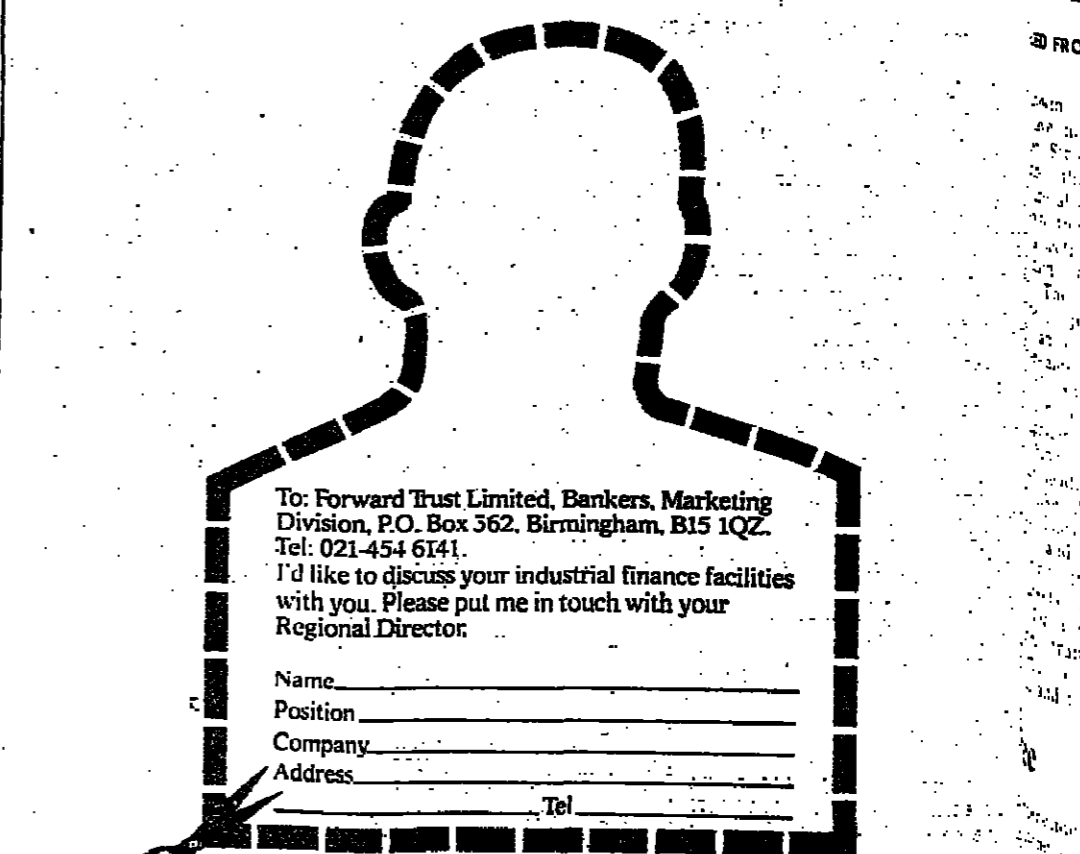
into the U.K., so it is fairly safe to say that well over 2m. are in the total car population of 14.6m. While foreign car numbers were small it was hardly worth while putting down production lines for equipment of different specifications and measurements. Now it is becoming increasingly profitable, especially for items like exhausts, fan belts, radiator hoses, and brake parts. The U.K. replacement market is estimated to be in the region of £1,000m. annually, and has

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معلومات الصلح

WEST MIDLANDS III

Government assistance a vital lifeline

WEST MIDLANDS has a reason to be thankful for the present Government's much-heralded industrial strategy, and particularly the related concept of selective assistance.

Since the late 1960s criticism has been mounting from the Midlands that it was falling victim to the vagaries of regional policy. The complaint was that, under the system of industrial development certificates, not only were expanding Midlands concerns being neglected but there was also an emphasis on the arrival of new non-based industries. Such schemes, it was maintained, were draining the region of its vitality and contributing to a long-term decline in other parts of the country.

As a turning point came some years ago when the Government felt compelled to step in to rescue three of the major industries in the region: £26.2m. was made available to the entry-based Alfred Herbert fine tool company, £162.5m. to Chrysler U.K. and £2,800m. promised to British Leyland.

But the most successful contact with companies was a personal approach to the managing director by Mr. Thompson or his deputy. A list of some 30 to 90 companies thought most likely to benefit from the scheme was drawn up by the research section of the Department of Industry regional office.

Accordingly, Mr. Thompson involved the regional office of the Confederation of British Industry, local chambers of commerce, and engineering employers' associations to publicise how the scheme operated. Applications were invited for assistance towards projects worth not less than £500,000 which, without Government help, would have to be delayed or abandoned.

Complicated formulae exist for the way such assistance should be advanced, but in practice the scheme worked largely on a basis of old-fashioned horse trading between the Department of Industry and the individual company. Confined by strict criteria of eligibility, based on factors such as the commercial viability of the project and its contribution to an improvement in the balance of payments, the Department tried to keep its offers to the minimum and yet still encourage companies to bring forward investment.

So successful did the Government consider the Accelerated National Economic Development Projects Scheme that it has

followed it up with a similar Selective Investment Scheme. Again the object is to help companies to introduce investment they might have postponed or not considered.

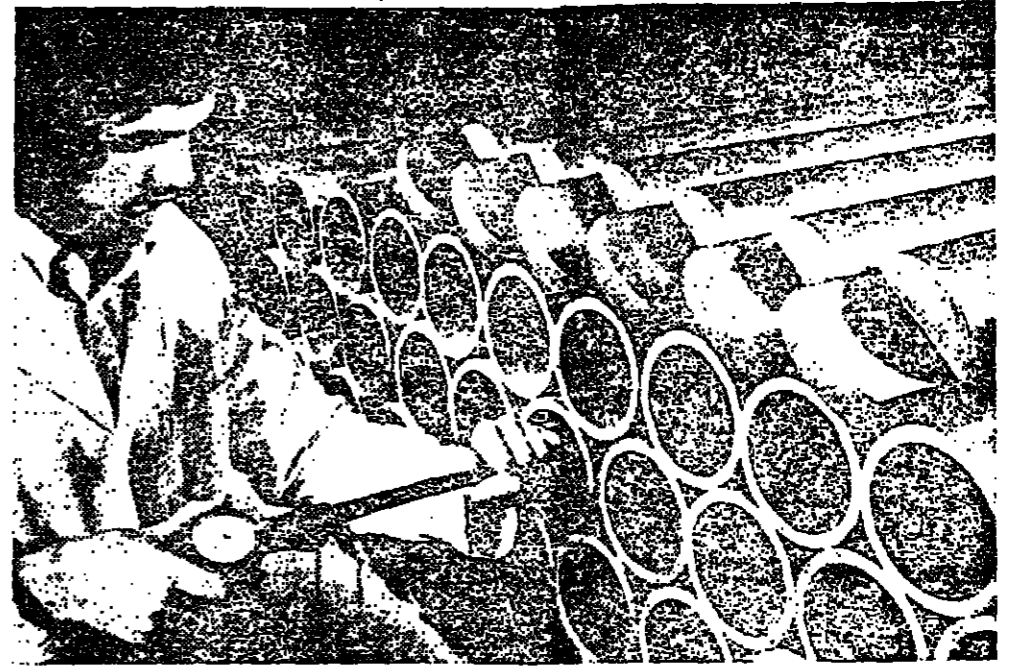
Mr. Thompson reports that inquiries to his office about the scheme are already being received and he is confident it will achieve similar success. Assistance can be offered not only as interest relief, but also towards working capital and, if necessary, the provision of loans. As before terms can be negotiated to fit the project in hand.

Eligible for assistance is almost any project which a company can claim would not have been undertaken in the absence of Government help. In effect the door is open for the Department to give financial aid to projects which might be identified as necessary by the Lord Brown, chairman of the advisory Board for the machine tool scheme, who met and

talked with company executives nationwide, around one-third were from West Midlands companies. Some £7m. of assistance has already been offered to the confidence of the industry as it climbs out of its worst recession. Companies may have decided to bring forward their investment plans to take advantage of the terms offered.

By contrast, a scheme which was popular from the very outset and the impact of the visit by the Lord Brown, chairman of the advisory Board for the machine tool scheme, who met and

checked cylinders at Reynolds Tube Company in Birmingham.



Checking cylinders at Reynolds Tube Company in Birmingham.

checked cylinders at Reynolds Tube Company in Birmingham.

Another industry important to the Midlands able to benefit from a selective scheme is machine tools. Launched in August, 1975, the scheme at first attracted very little attention, but alterations introduced last autumn aroused more interest. The scheme became more suitable for small companies and two sectors closely allied to machine tools were included: manufacturers of one-off tooling (jigs, fixtures, press tools, etc.) and of assembly machines.

However, it is only in recent weeks that the scheme has taken hold and Mr. Thompson reports that some 49 firm applications from companies in the region are currently being processed.

A factor in the upturn must be the promotion given locally, and the impact of the visit by the Lord Brown, chairman of the advisory Board for the machine tool scheme, who met and

checked cylinders at Reynolds Tube Company in Birmingham.

With around 300 companies likely to benefit from the scheme, it is encouraging that 59 inquiries have already been received. Mr. Thompson reports that detailed discussions, which will probably lead to firm applications, have begun with 14 companies.

Indeed, on present evidence, the region can look with some satisfaction at the benefits it has gained from the switch in Government policy towards selective assistance.

Arthur Smith

Spending

As a result of such efforts, the West Midlands generated 24 successful applications for £8.5m. of State assistance towards projects totalling £75m. More than 3,400 jobs are expected to be created in the wake of this spending over the next two years. When the scheme was launched the Government set the target that every £1 of State aid should trigger off spending of at least £8. In the case of the West Midlands the ratio was more than eight-to-one.

It should also be remembered that companies were being encouraged to lay down new investment at a time of great economic and political uncertainty and during a period of high interest rates and rapid inflation.

A company from one of the traditional West Midlands industries taking advantage of the scheme was Chubb and Sons, the lock and safety concern, at Wolverhampton. The project, worth £500,000, just came within the limit and was for a 25 per cent. increase in capacity, largely to meet new export demand.

Investment on a larger scale was encouraged at the famous Wedgwood pottery works, where expansion programmes are to be undertaken at five factories at a total cost of around £7.5m. Starting this April, some 1,000 new jobs are expected to be created over the next three years.

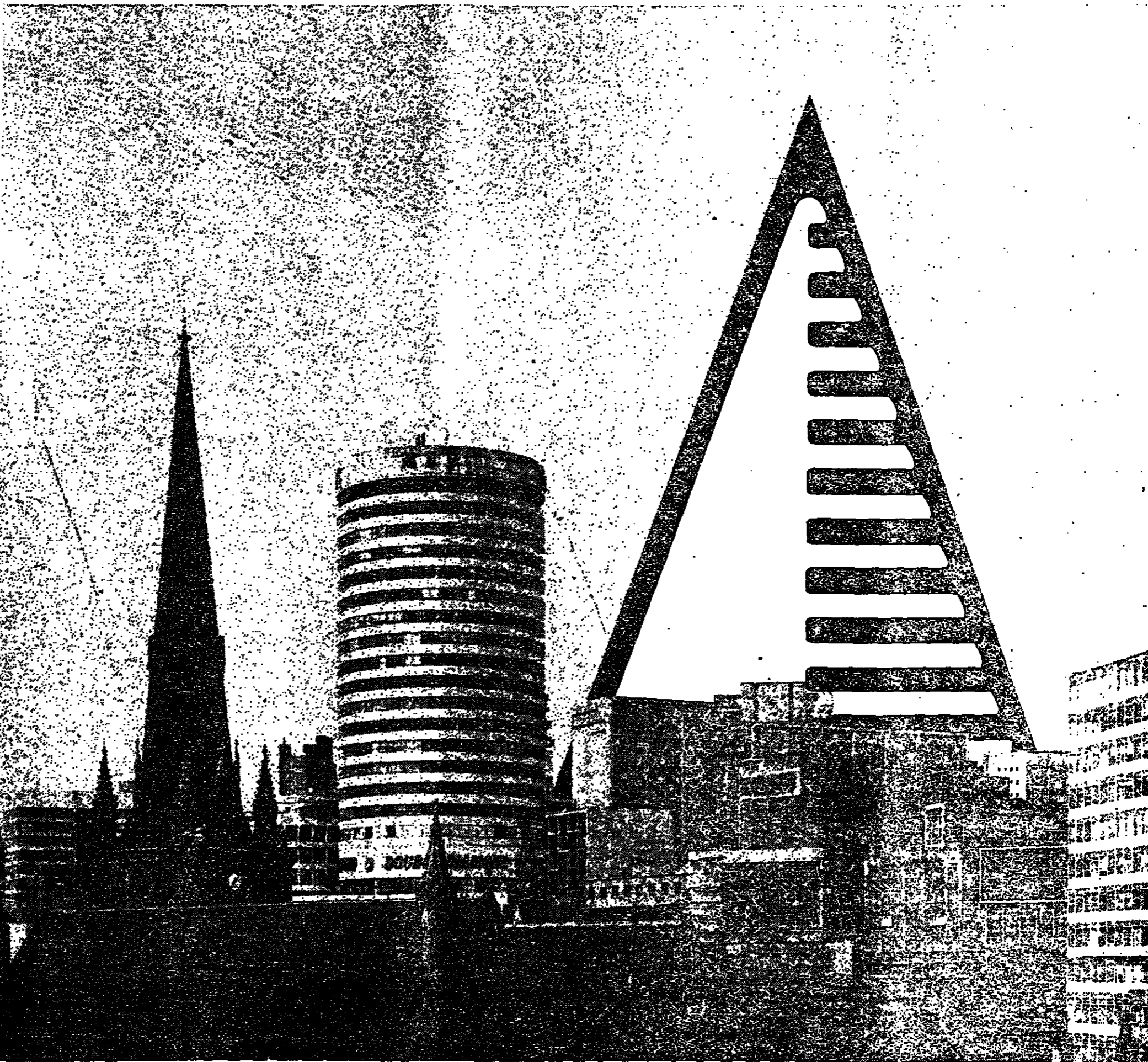
Components

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growing strongly as cars have made their cars longer. Stricter regulations regarding the replacement of a section of motorists maintain their vehicles. The car population in Europe is just over 70m., and an estimated £4bn. after-sales market. There is a big push by Leyland's Unipart and Chrysler's Mopar schemes, has been for them to join the major suppliers in an "all makes" replacement programme. More recently Leyland made another aggressive move into the market with the setting up of SU-Butec. This brought together half a dozen scattered operations like Butec Electric, making heavy duty electrical equipment at Leyland (Lancs.), Beans Industries at Tipton (Staffs.) re-manufacturing engines, Oxford Exhaust Systems (including petrol tanks), SU Fuel Systems in Birmingham and Rearsby Components in Leicestershire making suspension parts, hand brake and other components. This move into a home market that already has capacity to spare encountered some criticism, and will inevitably result in hotting up competition.

Despite its successes, there remains one territory from which suppliers have been virtually excluded, except for licensing—and that is Japan. In yet another attempt to get more reciprocity into trade the Society of Motor Manufacturers and Traders has invited a delegation to Britain to talk to suppliers and others. It could be the first step towards opening another potentially big market for the U.K. component industry, and one which the Japanese will find hard to resist taking without risking having restrictions put on imports, as some other European countries have already done.

Peter Cartwright



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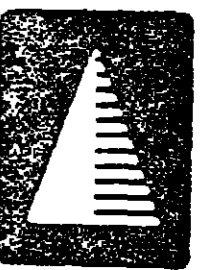
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WEST MIDLANDS IV

Financial sector more hopeful

ANYBODY SEEKING to define the distinctive accent of the growing Midlands financial industry, based in Birmingham, would probably pick out the stress it lays on the needs of the region's numerous small businesses. Catering for the desire of medium-sized and small concerns for an on-the-spot service of advice has been a key objective of the procession of merchant banks which have set up in the area in recent years.

But at the same time, the growing internationalisation of trade and industry, the export upsurge and the closer links with Europe have also increasingly prompted some of the biggest American banks to establish a presence in the region.

Now, as the West Midlands shows signs of starting to pull out of its worst recession since the war, the region's financial community is grappling with current issues in, on balance, a rather more hopeful atmosphere.

Mr. Robert Burns, who heads the local arm of Hill Samuel, one of the largest London merchant banks, has lately been seeing quite an amount of takeover and merger business of which his bank, he feels, has had a good share.

Traditional lending business is, however, still "static," he says. This presumably reflects the fact that demand by industry and commerce is far from the buoyant level of the early 1970s and well within the big clearing banks' capacity to accommodate.

Gresham Trust, the moderate-sized London-based financial group which takes equity stakes in smaller companies pays particular attention to the Midlands.

Mr. Ran Meinertzhagen, who runs the Birmingham office, detects plentiful signs of the much-discussed recent trend for entrepreneurs to seek to "go private," reversing the traditional business progression from family to public company. "The frustration of working in a public company, with the lack of freedom to manage and heavy taxation, is leading a number of people to pull out of the bigger quoted companies and seek to run their own businesses," he says. Mr. Meinertzhagen reckons he now gets about one approach every two weeks from such frustrated industrial managers wanting to be their own boss and to build up a business to create wealth to offset the erosion of living standards salaried employment now brings. Generally he sees optimistic signs for the Midlands economy, with more concerns stepping up production and thinking about capital investment.

Another London-based bank which puts a special emphasis on the Midlands is Singer and Friedlander, while other

London merchant banks with a smaller clearer, Williams and Glyn's is represented in the region too. The Midlands has its share of financial concerns which are based in Birmingham, notably Forward Trust, the finance house which has its headquarters there, although its own capital is wholly-owned by the Midland Bank. Forward Trust, which holds some 10-15 per cent of the U.K. market in its field, has a substantial industrial as well as consumer business and recently reported a 40 per cent rise in pre-tax profit for 1975-76 to £10m. Mr. Tom O'Malley, the managing director, remarks: "In turnover we're ahead of last year and, in our view, things are picking up." Forward Trust has money shops in Birmingham, Dudley, Leicester, Walsall and Wolverhampton, as well as Derby, in the Midlands.

G. R. Dawes Holdings is a Birmingham-based company with industrial holding interests and a banking side. G. R. Dawes, which, like other secondary banks, has been following a defensive policy in the past two years. The balance sheet for March 31, 1976 shows loans down from £4.9m to £3.7m and Mr. Bernard Rose, a director, says the company has recovered about another £1m. of the loan portfolio since then.

"The process has gone on of recoveries when due and our leading policy is more cautious than ever," he remarks. "With very good returns available in the money market without risk, lending propositions we've seen are not so attractive as they were worth chasing after."

A sign of Birmingham's significance both financially and industrially is the presence there of one of the Bank of England's seven regional offices, headed by Mr. David Nendick, one of whose chief tasks is keeping the Bank informed on the state of the Midlands economy.

Perhaps as significant as the attention the merchant banks devote to questing for business among smaller Midlands concerns is the importance some of the world's largest banks have in recent years devoted to forging links with Birmingham and the whole region.

Those represented in Birmingham include such major groups as Bank of America, and Bankers Trust International. A building in Colmore Row. The British bank with big overseas

connections, and with a presence in Birmingham related to the region's growing export business, is Standard Chartered Bank, which has added growing European business to its established networks in Africa and the East.

One of the Midlands' unique bodies is Birmingham Municipal Bank, which operates in the banking and savings fields in a way similar in many respects to that of the Trustee Savings Banks. It has however, the added function of making home loans. The bank runs about 70 branches throughout the region.

Range

For the Midlands and Western unit of the Stock Exchange, which is noted, like the region's banks, for attention to a wide range of smaller companies in the West Midlands, the past year in Birmingham has perhaps been most notable for two events. One was the opening in March last year of the new Stock Exchange trading floor in Birmingham, with an advanced communications and information system. The other eye-catching development was the merger, recently carried out, of two of the largest stockbroking concerns in Birmingham, Smith Keen Barnett and Cutler and Co., to form a new joint firm, Smith Keen Cutler, which is certainly the biggest stockbroking business in the West Midlands. Headed by Mr. David Rowe-Ham, it has 13 partners and eight associates and lists an extensive range of company clients.

There is considerable belief in Birmingham that the merger process within the Stock Exchange in Birmingham, where there are at present 13 broking firms and two Midland-based jobbers will go much further in the next few years. Although the Talisman computerisation scheme has been designed to temper the charges for smaller bargains of the kind familiar in much country business, the operation of this capital-intensive new settlement system is expected to make all firms look increasingly to their costs, which have already been much boosted by inflation.

In the opinion of some close observers, future expense-saving amalgamations may well reduce the present number of Birmingham stockbroking firms by between a third and a half by 1979-80.

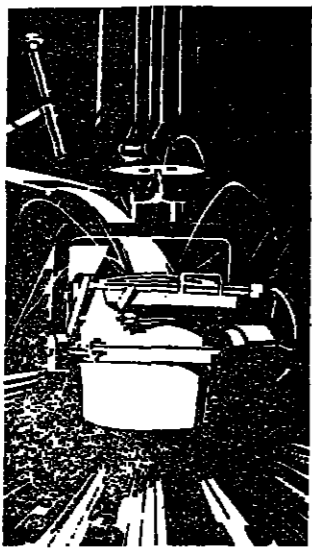
One sector of finance where the Midlands has long traditions is insurance, as evidenced by the fact that two sizeable independent groups, Britannic Assurance and the mutual Wesleyan and General Assurance Society, are based in Birmingham. The city is also the home of Midland Assurance, part of the Eagle Star Insurance group.

Margaret Reid



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Export efforts

IN WHAT to many foreigners industry, needed massive must, seem like an infallible financial aid. Chrysler looks gift for putting the worst possible face on things, the Midlands is building up on its past lands has recently been made to export performances. British look like a hotbed of insurrection. Leyland has shown it can lionists bent on destroying the dramatically hoist exports in hard-won social contract. In between stoppages, and has particular motor industry ambitious plans for new models workers have appeared bent on like the Mini, and for substantial assisting Japanese car importers daily expanding production of by ignoring the advice of their world market winners like the unions and going on strike. It new Rovers and Jaguars. But has been, as one Cabinet the loudest applause must go Minister put it, a well to the component makers. The orchestrated movement, but it majority of the major manufacturers is not a true reflection of the 600 supplying mood and composition of the the car assembly lines are in the Midlands, helping to boost substantially employment in the manufacturing industries as a whole. Besides supplying all whole, though they appear to the big vehicle makers in like sticking a pin into society Europe with original equipment, and making it jump. The vast the component makers also export increasing quantities of sientious and have a range of replacements, in addition to skills which cannot be matched benefiting from the operations by any other region. Otherwise of overseas subsidiaries and how, with under 10 per cent. associates. Smaller specialist of the working population of companies, such as a window the country, could they con- frame maker in Lichfield, are tribute up to a third of the total and enterprise in the export a net manufacturing output of field. In 1975 mainly Midlands-12.5 per cent of the United made components and accessories chucked up massive ex- factoring industry exports half ports of £1.150m. and last year as much again on average as his went appreciably better by counterpart in the rest of the achieving over £1,500m. and country. And a year ago the same men who have been on of trade for the motor industry strike recently were helping to into a handsome advantage of raise British Leyland exports by two to one in the U.K.'s favour, no less than 63 per cent over It has been many times said the comparable period of the whatever it is. American house- holders have for decades been dependent on the Redditch-based needle industry—it was a priority export, during the Second World War—and it has also built up exports of similar medical necessities. Birmingham nevertheless been wagging to ham is the home of advanced some purpose. The oil crisis new metals that help Rolls- of 1973 savaged its motor in- Royce and Lucas Aerospace to dustry, already weakened by put their products into most of being made one of the main in- the world's aeroplanes, Kidder- struments of successive Govern- minster, traditional centre of ment's stop-go policies and in- carpet production, also moves adequate investment. Both with the times into high-tech, Leyland Cars and Chrysler, rep- nology weaving and tuffint resenting, about a third of the machines, and its best Wiltons

Weakened

Although the Midlands' tall has been noticeably lower in the past year or two, it has nevertheless been wagging to ham is the home of advanced some purpose. The oil crisis new metals that help Rolls- of 1973 savaged its motor in- Royce and Lucas Aerospace to dustry, already weakened by put their products into most of being made one of the main in- the world's aeroplanes, Kidder- struments of successive Govern- minster, traditional centre of ment's stop-go policies and in- carpet production, also moves adequate investment. Both with the times into high-tech, Leyland Cars and Chrysler, rep- nology weaving and tuffint resenting, about a third of the machines, and its best Wiltons

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WEST MIDLANDS V

Potteries adapt to new techniques

ATTION recently of side. Other sectors like sanitary ware, wall tiles and electro-ceramics have similarly thrown up two or three outstanding leaders in their class. To an extent this has put constraints on the industry which some individual companies are counteracting by introducing a greater degree of flexibility in production to enable them to react more quickly to market changes. This is particularly so in tableware and ornamental ware.

Capital spending in the past few years has been at a fairly steady rate of 4.5 per cent of turnover, which in the past four years has grown from £145m. to around £250m. In 1974 investment, aided by a number of big projects coming to fruition, peaked at £15m., more than double the previous year. It fell back somewhat in 1975 to just over £9m. and has since been rising faster than the rate of inflation.

Allocated

One of the biggest programmes recently announced was by Wedgwood and provided the first instance of Government aid (£1.3m.) through the accelerated investment scheme. A total of £7.5m. has been allocated to the Potteries and is expected to create 1,000 new jobs in the next two and a half years at five of the North Staffordshire factories. Half of this, always stronger in the Barlaston headquarters, and there will be a new purpose-built factory for making ceramic transfers and ware to china—and a major expansion at the strengthening its tary ware factory. Doulton has a fine earthenware new projects, again widely

distributed throughout its interests, worth approaching £6m. and designed to achieve the double purpose of selectively expanding production and providing a greater measure of flexibility. An outstanding example of what is being achieved in the industry was the conversion of a modern, single-storey earthenware factory and the retraining of personnel over a two-year period to make fine bone china in an attempt to correct a persistent situation of too little production in this area.

One effect of the emergence of bigger units has been to enable the industry to attract high grade management on a scale and at fees that only exceptionally could be contemplated in the past. While many of the leaders of the industry bear family names that go back deep in the history of the industry, family succession is no longer automatic; promotion by merit is introducing new names from outside the industry and new skills and techniques that are helping to conquer fresh fields. It is, perhaps, especially helping the industry to make a more objective assessment of mechanisation: competition is another spur, of course.

Nevertheless, the general body of the industry is maintaining a policy of making haste slowly, of not going faster than employees are willing to, and especially not at a pace that impinges on craftsmanship. But in most areas, from the slipshove which processes the clay, through casting, or making, drying, and firing to the finished product, machines are taking over or helping to lighten manual work. Services (Engineers) has a plant for automatically making flatware in various bodies (china, earthenware, etc.) at the rate of up to a dozen a minute, with a ten minute drying period. While this may not sound much, it is the equivalent of about 18 tons of ware a shift—much more than any worker could handle. In addition, it reduces the number of moulds required to about a quarter, making it easier and less expensive to change shapes. Making cup handles to the untutored eye looks fairly straightforward but in fact bristles with technical problems that are overcome by a 15-handled a minute machine. In the decoration department multi-colour printing is being achieved in a linked series of operations that eliminates hand work which would otherwise be necessary to apply further colours. Incidentally those with experience of the difficulties of getting a perfect register may like to know it is just as difficult to offset them to simulate the slight imperfections of hand work.

Further away, but of outstanding interest, especially to tableware makers, is the potential promise of dust compression taking over from roller-forming, in which rollers shape the clay in the mould instead of a hand tool. Although the Germans are reportedly well advanced in these new techniques, which would achieve substantial savings in clay preparation and further along the production line, there appear to be some

stiff obstacles still to overcome, particularly in avoidance of distortion when fired. Only one plant is believed to be working at all satisfactorily, and that is in Argentina, where the inventor lives. Nevertheless no one doubts that this pottery equivalent to powder metallurgy will one day be brought to the production line.

The movement to fuller mechanisation is helping to exploit the industry's inherent advantage of being able to call on indigenous materials, an advantage it has over most other industries, and a big bonus over those that depend, even to a minor extent, on imported materials. The buoyancy of the industry was reflected in the recent giftware and hardware fair at the National Exhibition Centre. Potters took an estimated £10m. worth of orders, nearly half by two companies alone, which again provides an indication of how dependent the industry is becoming on the big units.

Cutbacks

Despite the downturn in the construction of new homes, which could affect sanitary ware and tiles in the future, all sections are doing better in the home market. Total output for the first nine months of last year (the latest period for which figures are available) amounted to more than £214m. compared with £183m. in the corresponding period of 1975. In the home market sanitary ware and wall tiles are aligned with the finishing trades in homes and offices. Because, it seems, contractors are stretching less work over a longer period, the difference between starts and finishes (in home building) seems to be extending to some 18 months, so that the full effects of the latest cutbacks have still to be

felt. On the other hand these sectors of the industry are protected by having some 60 per cent of production for the home market channelled into renovations, a proportion that has held for a surprisingly long time and has the chance to be even bigger with the current change in thinking about how to deal with inner city deterioration. For sanitary ware the prediction is made that the renovations market will rise to 75 per cent of requirements. The do-it-yourself trend is also standing tile makers (particularly the two largest, E. and R. Johnson-Richards and Pilkington), in good stead, with about half home market production going for this purpose.

The tableware home market is gently buoyant, and both it and the ornamental and figurine sector are getting a fillip from the Silver Jubilee programme. It is in the export markets that most of the extra demand is coming. Again, all sections have registered increases with the exception of sanitary ware, which has a relatively harder fight against trade barriers and domestic competition. Tableware, both china and earthenware, has forged ahead from under £68m. worth in 1975 to more than £88m. last year, and provided the boost the industry needed to take it for the first time to more than £100m. in overseas markets. The actual figure is £119m., and includes a much improved figure of over £10m. for electro-ceramics, and a creditable £5.7m. worth of ornamental and allied pieces. The ceramics industry does not match some others in size or scope: no other has such a high conversion value of indigenous materials and more consistently exports nearly half its total output.

Peter Cartwright



mechanisation, craftsmanship is much in vogue in the Potteries. Here at Caverswall in Stoke the finishing touches are made to a specially commissioned piece.

ports

ED FROM PREVIOUS PAGE

sters are as highly and therefore the more valuable in the Middle East as for that. Between the Potteries and-woven rugs of the Black Country proper, here. Some of the riders—especially in competitive events—for its saddlery and harness producing craftsmanship of the highest standard. The animal kingdom is even more directly catered for by another world-famous organisation, the Hereford Herd Book Society which has helped to raise breeds and breeding standards in many parts of the globe.

Traditional

Many of these industries and individual companies within them have been exporting for generations, but many more are post-war exporters, while still others have pursued a traditional path of supplying exporters, and so exporting indirectly. A growing number of these sub-contractors are realising that the home market is unlikely to yield them the expansion and profits they are seeking and are dipping their toe into the export market. Several organisations exist to help them do this, and the strength of the export drive in the Midlands owes much to their efforts. Among the foremost is Birmingham Chamber of Industry and Commerce. Ten years ago it was sponsoring four trade missions; this year, as last, it sent gain for the U.K. will be around the 20 mark,

just about as many as it can cope with. Last year the mission members brought back in their briefcases orders to the value of £960,643 according to signed statements, and a further £2.5m. worth was confirmed later. Another £6.3m. is awaiting confirmation, a total of nearly £10m. Nor did this take account of any business a member might have got by staying on after the return of the mission, which are always open-ended. Significantly whereas previously two-thirds of a mission comprised industrialists making a repeat visit, recent missions have been nearer half and half, and future missions will often comprise two-thirds newcomers.

Interest is also being encouraged through seminars, like the recent series of three on "Asia Beckons" in connection with the forthcoming British promotion at leading Tokyo stores. Exporting is also stimulated in a more permanent form by the regional Department of Industry which has 40 experienced officers in this section. Though British exports have been rising the share of world trade has been falling. The aim of these and other regional promotions is to help add just 1 per cent to the U.K.'s export share. It would lead to something like another 400,000 jobs.

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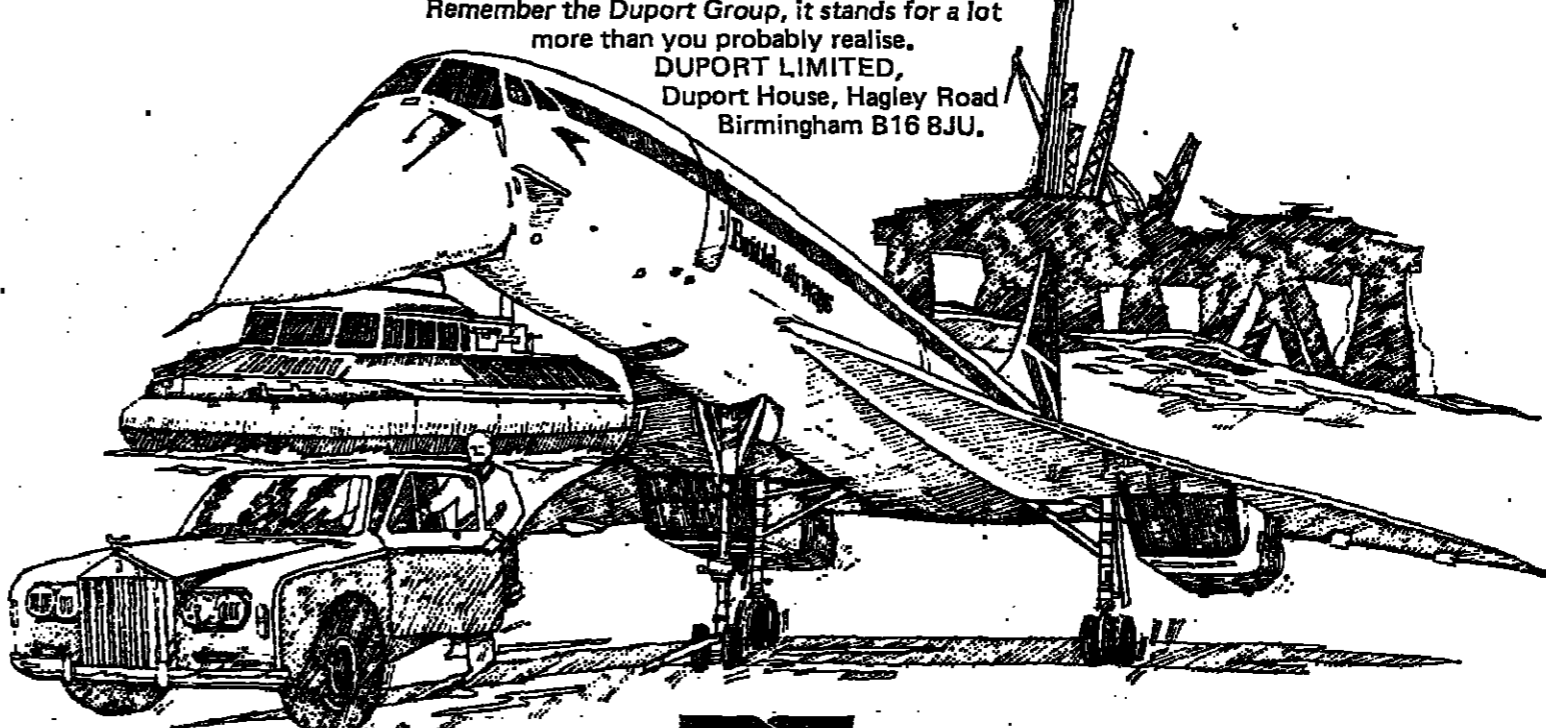
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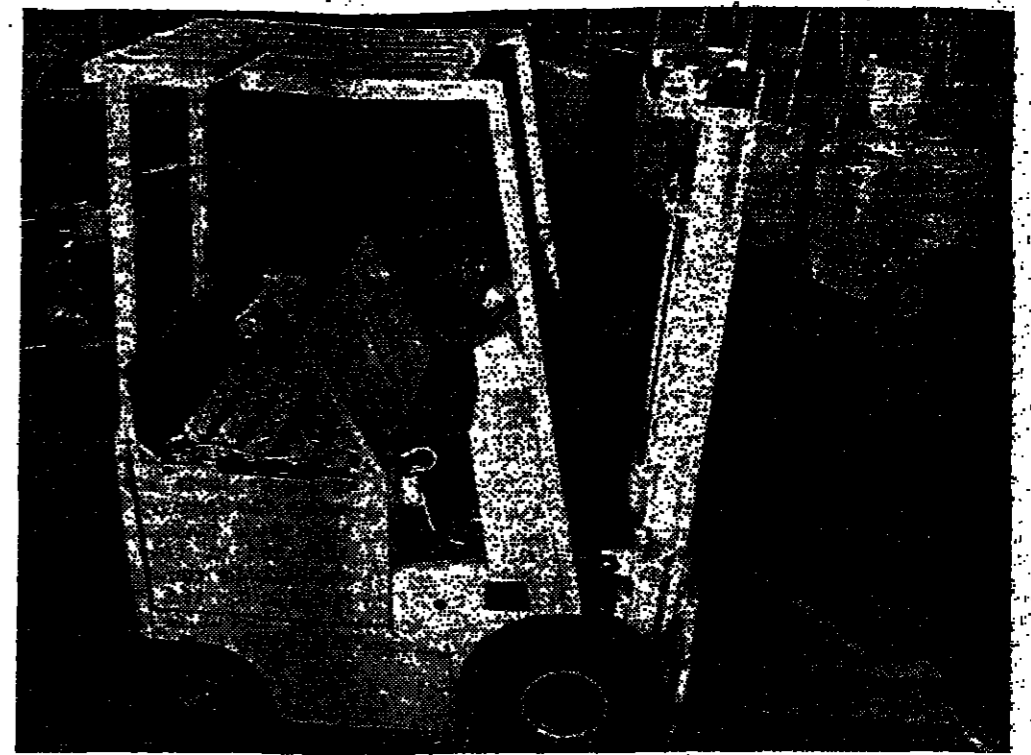
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WEST MIDLANDS VI

Mixed fortunes in engineering



Manufacturing Yale forklift trucks at the Wednesfield, Wolverhampton, plant of Eaton Materials Handling.

BESIDES PRODUCING an unrivalled range of engineering goods, the West Midlands is also the biggest sub-contractor for the rest of the country, and increasingly to customers overseas. When banquets were an every night occurrence under the rococo ceiling of the Grand Hotel or at the august Council House, no after dinner speaker proposing the toast of "The City of Birmingham" and worth his salt would dream—or perhaps even dare—to omit reference to the city's 1,000 trades. Indeed, it was such a well worn custom that speakers did not realise that, like the banquets themselves, they were getting out of date, and that the number of trades, stimulated by new technologies like plastics, and electronics, was approaching 1,500.

This diversity has also, and quite rightly, been frequently praised. Certainly it helped the region to survive a good deal more comfortably the last great recession of the 1930s, and also to regain prosperity rapidly after the war, to such an extent that a lot of the natural growth was decanted to less fortunate areas in Scotland, Wales and the North West. But having 48 per cent of the country's manufacturing resources has its advantages, and this has been seen during the current economic recession. Diversity was built on giving free rein to entrepreneurs and inventors. It gave rise to great enterprises like Lucas Industries, Austin Motor (now within British Leyland), the Guest Keen Nettelfolds empire, and many others. But the gathering pace of technology, the emergence of stiff competition from Japan, Germany and elsewhere and the growing internationalism of business left many of them behind.

The first big blow to the pride of the Midlands was the collapse of the motor cycle industry. Birmingham Small Arms had pioneered the machine shop in the industrial revolution and after the last war its motor cycles—Bram Lightweights to "heavies"—were seen everywhere. But it failed to cope with the Japanese resources and that country's ambitions in the lightweight field. Unable to compete, it withdrew into the heavy markets, like America and Australia. Government aid, on a not ungenerous scale, has failed to do more than save a small part of it.

Troubles

The second blow came in the machine tool industry when Alfred Herbert, the Coventry-based producer of standard machines and an importer of more sophisticated ones, ran into economic troubles. Its top machine, the Batchmatic, was a real winner, but the development effort had been too narrow to see the company through a rapidly changing technical cycle in which numerically controlled, or computer aided machines, were beginning to take over.

Then the oil crisis ripped the last vestiges of independence and viability from Chrysler and British Leyland. Faced with the prospect of its "top export earner, British Leyland, doing a motor cycle industry exercise and contracting down to a more selective range like Jaguars, Rovers and Triumphs, and thus a massive increase in unemployment at a time when the number was already climbing fast, the Government stepped in with £1,400m. for Leyland over a ten year period. Chrysler was given access to £162.5m., and Alfred Herbert, the U.K.'s leading machine tool producer, received assistance totalling £26.2m.

The West Midlands, once the example to the rest of the country of how to spin an apparently endless thread of prosperity, founded on the rocks of inadequate management, inadequate investment and an inadequate pricing structure. Fortunately more far-sighted managements and those able to adapt more quickly to rapidly changing conditions pointed the way ahead. Increasingly after the three-day week had torn a huge gap in home demand and the subsequent oil crisis of 1973 plunged the motor industry into deep recession, manufacturers began increasingly to look overseas for profit and for expansion.

The headlines were hogged by the British Leyland, Chrysler, Norton Villiers Triumph and Meriden Motor Cycle Co-operative, Alfred Herbert and the other failures. But there were also big companies and groups which were creating more enduring destinies, and very many more small ones were, as usual, turning their skills to new demands. Few have survived as intact, for instance, as the Proof House in Birmingham, where most of the

guns made in the country continue to be tested as they have been since 1813; or the Birmingham Mint, the world's oldest independent Mint producing 20m. coins, tokens and coin blanks a week, mainly for overseas customers; or raised their sights so quickly as the vehicle component makers, who have triumphantly saved the motor industry from an adverse balance of trade by supplying most other European producers with original equipment and spares and thereby helping the industry to sell overseas £2 worth of products for every £1 imported.

Diversity, together with aggressive selling and entrepreneurial skills, have once again helped the Midlands to pull through a testing period, though not without casualties. These in some cases have been an industry-wide basis, like construction, which has turned one of the biggest markets of washing machines into an importer-distributor because of the cutback in new house building, and forced many other consumer durable manufacturers into amalgamation or bankruptcy. But the Midlands has strength in depth. Within its boundaries is nearly half the ferrous foundry capacity, and the forging capacity of the country, a third of the non-ferrous and light alloy foundry and die-casting production, a third of the motor industry, and a substantial proportion of the agricultural implement and machine tool industries. Its products range from needles to clothing, from sophisticated aerospace engines and components to machetes and other tropical climate implements

where 100 per cent. of the products are exported.

The 48 per cent. employed in the engineering and other manufacturing industries, the highest in the country, compares with some 27 per cent. in the South East and 33 per cent. in Scotland. One in four are engaged in vehicle manufacture, and a similar proportion in general metal manufacture. Mechanical and electrical engineering together account for another quarter or just over. This represents an array of skills and products unsurpassed anywhere else in the world. But, as the failures in the motor, machine tool and motor cycle industries have shown, the statistics fail to reveal the levels of past investment. Plainly this has been well below that needed to survive in highly competitive world markets, and for a lot of reasons. There is little doubt that the policy of helping development areas by directing expansion to them failed. "You don't," as someone said, "strengthen the weak by weakening the strong." Manipulating the motor industry as an economic regulator by frequent changes of purchase tax and hire purchase terms helped to strangle its potential as a major world supplier.

Belated

In the Midlands there seems to have been a belated recognition that, with unemployment soaring at double the national rate, it should be in the development area category. Nevertheless, this has not qualified it for Common Market aid, given only to nationally designated assisted areas.

The region is gaining substantially from industry-wide investment schemes like that for ferrous foundries.

To date some £7m. worth of assistance has been offered to West Midlands companies, altogether nearly 180 applications have been put in to the Department of Industry, a third of the total national. The sister non-ferrous industries getting off to a later start—scheme was announced only in mid-January—has put in schemes for vetting, and already 14 look like becoming firm projects. The machine tool industry more hesitant though it got to an earlier start, has proved 50 firm applications. Even clothing industry, which is to provide a good deal of employment around Dudley in other parts of Worcestershire, has put in more than a dozen applications. Applications in the electronics industry, one of the newer sectors that the Midlands has been trying to foster, are being vetted nationally to prevent capacity being lost until firm markets have identified. Another form of assistance, aimed at encouraging firms to invest more intensively in projects worth over £500,000—now called the selective investment scheme—has attracted a couple of dozen schemes, more than any other region in the country. All these, and many in that do not figure in Government aid, are helping the Midlands to improve and with competitive effectiveness. Projects will take time to initiate and bring to fruition. Meanwhile expansion and profits are more likely to be found in export markets.

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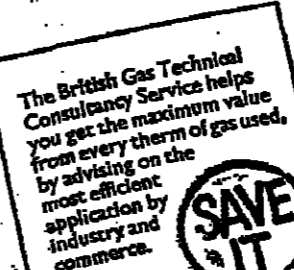
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WEST MIDLANDS GAS

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Mr. Liam Cosgrave

A series of minor rows—the "torture case" in Strasbourg, the trial of SAS men in Dublin, allegations of Irish police brutality, extradition of IRA terrorists and conflicts about offshore zones—has come to a head. Giles Merritt reports from Dublin.

Anglo-Irish relations at a low ebb



Mr. Jack Lynch

The change in the Arabs

MR. CYRUS VANCE, the U.S. Secretary of State, has reported after his initial fact-finding trip to the Middle East that while both the Arabs and the Israelis expressed a strong desire for peace, they remain deeply divided on the key issues.

There is, for instance, by now a pretty clear readiness on the part of the Palestinians to accept a Palestinian "mini-state" on territory evacuated by Israel—mainly the West Bank and the Gaza Strip.

It may be objected again that some Palestinian statements on these subjects are still obscure and that what is said by one Palestinian tends to be subsequently denied by another.

Behind the dispute about fees

WHATEVER one may think of the motives of the students who organised the latest sit-in at the London School of Economics or the tactics of the authorities in dealing with it, the curious fact remains that both sides are fundamentally in agreement about the issue which has caused unrest at this and other institutes of higher education.

The majority of British students taking first-degree courses will not be affected, since anyone eligible for grant will now have the whole of the tuition fees paid without reference to parental income.

Two points which the Department of Education has obviously had in mind when seeking to save money here are, first, that the number of foreigners taking educational courses in this industry and those many countries has risen from 31,000 in 1967-68 to about 80,000 at present and second, that even the higher fees proposed will not cover the full cost of tuition.

ANGLO-IRISH relations have worsened dramatically in the past fortnight, and risk deteriorating a good deal further in the coming months.

There are 3m. people in the Republic of Ireland and a further 1m. strong Irish community living in Britain. By the same token, an estimated 100,000 Britons live in Ireland, where there is even an office of the Department of Health and Social Security.

Five years ago, in the aftermath of the "Bloody Sunday" shootings of 13 civilians by troops in Londonderry and the retaliatory petrol-bombing by an angry mob of the British Embassy in Dublin, the full meaning of "strained diplomatic relations" became apparent.

As if to underline the point, the Fianna Fail leader, Mr. Jack Lynch, last week-end repeated at his party's annual conference his statement of October that Britain should undertake to leave Northern Ireland.

The fact that Anglo-Irish relations could be very much worse does not make them any

better. Officials of both governments are trying to calm tempers by explaining that the blow-up has been caused by the unfortunate coincidence of half a dozen slow-burning issues all exploding at the same time.

It is true that some of the disagreements are commonplace in partitioned Ireland, but others are symptomatic of the seriously widening gap between Irish and British thinking.

Oddly enough, it is the rows with limited implications that create the biggest headlines, probably because Fleet Street has come to report Ireland, North and South, as an everyday story of violent men.

Since September, 1975, Scotland Yard has been urged by the Northern Ireland Office and the Foreign Office not to make tendentious statements.

So TASS has decided to go to Bournemouth instead for its conference from April 18 to 22, apparently calculating that Jenkins' technicians at Birmingham might still be in dispute.

The ASTMS dispute over holiday arrangements has been going on for nearly six months. Things have become more serious recently with charges and counter-charges about the use of non-union lorry drivers to run fuel through the picket line.

Now ASTMS has asked all 15,000 of its university technicians throughout the country to walk out for the day on Friday.

Imperial has decided that it will donate the unexpected profits to "the arts" although no decision has yet been taken as to what specific ventures it intends to patronise.

Silk, the British Attorney General, had made known two or three months ago the promise that torture would never again be used which he unexpectedly gave in the Strasbourg court this month.

The imminent SAS trial at Dublin's Special Criminal Court is a parallel case of policemen, Irish in this case, ignoring the delicate political susceptibilities of the Anglo-Irish relationship.

With recent senior staff changes at both those ministries, the restraint that was meant to avoid a repetition of the McKearney episode seems to have been removed.

Incursions into the Irish Republic by British troops, however irritating, are generally accidental. The signs are that the State Solicitors at Dublin Castle may at the last moment drop the serious "intent to endanger life" charges and, that the most the accused will face is a fine for carrying unlicensed weapons.

Whatever the Irish Government's concern, once the SAS

men were arrested due process of law took over. And it is legal questions that currently contribute greatly to Anglo-Irish tensions.

At the end of last month, only days before initiating its "torture case" in Strasbourg, Ireland refused to sign the European Convention on the suppression of terrorism.

The Irish claim that Article 29 of the 1937 Constitution forbids extradition for political offences, but say they will cheerfully sign the EEC's anti-terrorist convention this year because it allows for alleged terrorists to be tried in the Republic.

Incursions into the Irish Republic by British troops, however irritating, are generally accidental. The signs are that the State Solicitors at Dublin Castle may at the last moment drop the serious "intent to endanger life" charges and, that the most the accused will face is a fine for carrying unlicensed weapons.

Whatever the Irish Government's concern, once the SAS

raises Irish hackles in a completely different manner. Ireland plus much of its hopes for economic growth on as yet undiscovered offshore oil.

The offshore dispute, decided so unfortunately with the security rows dogging the lateral relationship that Mr. Anthony Wedgwood-Bennett's Energy Department has just climbed down with an announcement that it accepts the whole question should go to independent arbitration as Dublin has been urging for almost a year.

Overlying the whole Anglo-Irish relationship there is the central question of Ulster's political future. Politicians of both sides of the Dail (parliament) are tinkering with the idea of modifying the Constitution where it lays claim to Northern Ireland.

The Rockall dispute, which is the blanket term now being used to cover a growing number of conflicting offshore zone claims extending from the uninhabited islet to Ireland's north-west as far as the Western Approaches to the south east,

Ulster's future

Ulster's future

Ulster's future

MEN AND MATTERS

Imperial as impresario

Squash playing readers will recall Tuesday's saga of Action on Smoking and Health (ASH) challenging the Tobacco Industry's heavy patronage of sport by forming their own non-smoking squash team.

Commercial virtue is sometimes its own reward and that appears to have been the case for Imps. The Pompeii Exhibition has turned out to be a roaring success.

Imperial has decided that it will donate the unexpected profits to "the arts" although no decision has yet been taken as to what specific ventures it intends to patronise.

all part of a determined search by the industry generally for leisure outlets for otherwise serious micro-electronic wizardry.

Dutch treat

After electronic blackjack the next product about to hit the unsuspecting British consumer is what extensive market research indicates is about to become the equivalent of the mythical "next best thing since sliced bread".

Frog food

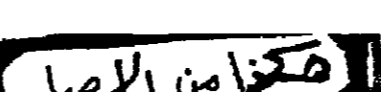
CHALLENGE CORPORATION LIMITED

INTERIM REPORT

Table with 2 columns: 6 months ended 31.12.76, 6 months ended 31.12.75. Rows include Group Profit before taxation, Less Estimated taxation, Share of profits of Associate Companies (after tax), Less Minority interests in subsidiaries, Group profit after tax, Profit on disposal of surplus assets.

Group turnover rose from \$NZ250.5m. to \$NZ367.0m., an increase of 46.5%, whilst net profit after tax but excluding capital profits on disposals of surplus assets (as shown above) increased by 69.7%.

Although expenses were higher their rate of increase was significantly less than the rate of increase in sales. This reflected determined efforts to lessen the impact of inflation by the continuing reorganisation and rationalisation programmes within all sectors of the business.



ECONOMIC VIEWPOINT

BY SAMUEL BRITTON

The baseless fabric of our vision

It happened to the front these questions head-on, but goes a large part of the way towards answering them, is an outstanding event. Professor Fred Hirsch's book, *Social Limits to Growth*, does exactly that. Moreover, as the title suggests, it does not rely on physical limits to growth on Club of Rome lines, which Prof. Hirsch regards as non-proven. Nor does it depend on individuals not knowing their own interests, or any form of the "any" thesis, which makes people's satisfaction vary inversely with their neighbour's possessions. On the contrary, the author is prepared, for the sake of argument, to accept the Chicago-Austrian view that the purpose of economic activity is to satisfy individual desires and to explain why the growth race is self-defeating even from this point of view. It is, moreover, likely to be self-defeating, irrespective of the mixture between private enterprise, State direction and "market socialism" we choose to adopt.

The traditional model of economic growth might be likened to the production of metal boxes. With advancing technology, we can produce more and more boxes per head and make them into durables, cars and so on; and the measurement problem is minimal. With a bit of luck food production can also be multiplied in this way. But as living standards advance more and more of these products people want are what Prof. Hirsch calls *positional goods*. These are all characterised by the fact that the more I have of them, the less there is for you.

Positional goods may be characterised by physical scarcity. Examples range from scarce land to Old Masters. We cannot all have country estates; and as more and more people try to acquire week-end cottages with a little land, the cottages get further and further away, and more and more time has to be used in reaching them. Indeed, human time is the scarcest resource of all. We cannot all have three maids, as my maternal grandparents who eked out a living as minor traders in Lithuania were able to do.

INCOME ELASTICITY OF DEMAND IN U.S. (Est.)

	% increase in consumption with 1% increase in income
All goods	0.8
All services	1.1
Leisure	1.3
Education	1.6
Travel	1.4
Food away from home	1.2
(Owned vacation home)	(2.3)
(Lodging out of town)	(3.1)

Source: Social Limits to Growth

But only a handful can become Field-Marshal. We cannot all conduct an orchestra, manage a factory or even become the foreman.

The tragedy of the process is the disappointment of expectations. By the time "living standards" have risen enough for the low-paid worker to obtain a car, the days of carefree motor-ing are over and it does not bring its promised pleasures. But by then the rational pursuit of his own interest by each individual has led to a rundown of public transport, which—even with proper pricing policies—will force people to use cars, even though the final result is not what any individual would himself have chosen.

Perhaps the worst result is the amount of resources devoted to screening and fitting people for the more attractive posts. If a large proportion of the population goes to college,



"Positional goods": greater affluence means less space on the beach.

Further education is no longer the key to the best posts. But those who do not want to be left in the worst ones have to force themselves through the educational machine because employers are increasingly screening for ability, irrespective of the value of the skills being tested. This is the reality of the so-called great educational debate. Even those who value education for its own sake will be disappointed if their tastes run to Oxbridge-style tutorials, which, by definition, no productivity improvement could extend at low cost to all students. We all stand on tip-toe and do not get a better view to repay the dis-comfort.

Prof. Hirsch freely admits that the importance of positional goods still has to be quantified. But it is reasonable to suppose that as demand for the more easily satisfied material

goods is met, additional income will be diverted to the still scarce positional goods. Prof. Hirsch does not claim to have policy panaceas for the post-growth era. He believes that the case for egalitarianism and for collective consumption is strengthened. I wonder, if the promise of material wealth is to be disappointed, is it helpful to encourage the pre-occupation with relativities, in which the other person's share will always seem unfair according to plausible criteria? Moreover, the appointments explained by Prof. Hirsch are due not to the end of the technical progress, but there is little relation between reward and merit (as must be the case)? The trouble with any sort of market economy is not that it represents the law of the jungle, but that the underlying moral code will still be important. But I do not want to stress these sophisticated to gain men's

divergences, as Prof. Hirsch himself is very careful not to claim that all problems are soluble or to put too much weight on his own policy preferences.

Most economists believe in a guided invisible hand: in other words setting artificially a framework of rules and policies which will guide the pursuit of self-interest into socially desirable channels. Professor Hirsch underlines how artificial and tenuous a construction a corrected market economy must be. Self interest is the general norm; but the monetary managers are expected to follow altruistic norms rather than the more selfish aims of winning elections or securing prestigious positions for themselves. The businessman is expected to follow self-interest in satisfying market demand, but not in political lobbying to obtain subsidies or tariffs, or in bribing the anti-trust authorities. Anti-trust officials are expected to refrain from maximising their own incomes by keeping in the good books of the firms they are investigating. Above all, the industrial worker is expected to pursue his self-interest privately in the labour market, but to obtain from pursuing it collectively through the exploitation of union monopoly.

An acceptance of social norms reduces what are otherwise quite prohibitive enforcement costs. But will people accept restraints in the pursuit of immediate self-interest if there is little relation between reward and merit (as must be the case)? The trouble with any sort of market economy is not that it represents the law of the jungle, but that the underlying moral code will still be important. But I do not want to stress these sophisticated to gain men's

Universal

Professor Hirsch would not claim to have solved the Kantian problem—whether I should obey rules which I would like to be universal, without any assurance that others will do the same. He tentatively suggests that we follow private objectives in deciding on spending patterns, but socially directed objectives in our codes and behaviour. This works well enough in the case of litter where the private cost of tidiness is modest; but can we expect miners to refrain from using their strike-threat power, or marginal constituents their vote-threat power in lobbying the NEB? How likely are "the rich, the clever or the beautiful" to follow Hirsch's own admonition "to renounce the additional pleasure of associating themselves and their children mainly with their own kind?"

The main case for the market system is as a method of co-operation, which minimises coercion (e.g. conscription versus the price mechanism). But no one after reading Professor Hirsch can imagine that it promises a short cut to our economic nirvana or that it can manage without an economically literate public philosophy, which—200 years after Adam Smith—we have still to evolve.

Scarce space

Then there are direct social scarcities. We cannot all have top quality antiquities or the latest fashions. But perhaps the most important are the products which have an intrinsic value which is diminished by extensive use, others. Road pricing might help to allocate scarce space, but would not remove the fact that cars and people get in each other's way.

Perhaps most important of all are scarcities of occupational position. Every soldier can have a Field-Marshal's baton in his

Letters to the Editor

Rate

Director,
Wholesale and Distributors,
My issue of February 1977 has raised the concern of VAT. The Federal Reserve and Industrial House of Representatives and disad-vantageous representation to alter on this same annual.

On each invoice the VAT is calculated at the correct rate—a task for any company, but the use of a com-pute end of each period must be made to analysed according to its rates.

When wholesalers are being static products on the one hand, increased costs over last year, it negligible that they still bear the VAT.

Particularly cause they carry a of goods, which may be any of the different problem is a because all traders set or greater degree would be a severe trading community of did not take use of the Budget to rate VAT once and

that the U.K. will contribute more than two thirds of the fish in the EEC waters—it is acknowledged that the U.K. is by far the biggest loser in the loss of its traditional long distance fishing grounds—it is acknowledged that the U.K. has made genuine attempts in the past to conserve in fishing whereas this can certainly not be said to be true of at least some of our fellow EEC members. Why therefore is it unreasonable for a large U.K. to strive to ensure that it can control the conservation of fish stocks in its own waters and also be given some reasonable preferential right for its coastal fishermen to exploit what is, after all, one of our country's few natural resources?

Various of your recent articles have suggested the U.K. should make a sacrifice because it has gained an advantage in strength from being able to negotiate under the "EEC umbrella" with third party countries like Russia, etc. I would again suggest you re-examine the facts and you will find that in all negotiations with third party countries including the U.K. 200 mile zone fishing agreements could have been very much more easily accomplished on a direct negotiating basis.

Therefore, in trying to justify your paper's line, you are left with the strict legal argument that the U.K. is bound by the Treaty of Accession and by the CFP. There have been major international changes in fishing since that time including international acceptance of 200 mile

limits and much more stringent conservation requirements, and the EEC itself now accepts that the CFP must be re-negotiated. It is part of the "basic theology" of the EEC that the legitimate needs of member states will be recognised, and the major dependence of various U.K. coastal communities on fishing for a livelihood must constitute a very strong legitimate need to be put alongside the unquestionable moral case for a large exclusive zone for the U.K.

Im C. Wood,
Raik Road, Aberdeen, Scotland.

that, I would certainly sympathise with the proposition that the investment income of pensioners should, up to a reasonable limit, be treated as earned income.

Robert Hardy,
Temple Court,
11, Queen Victoria Street, EC4.

Rates of interest

From Mr. P. Gordon

Sir—Included in Michael Blanden's article on the latest base rate reductions by the clearing banks (February 18) was the statement that "the 12 per cent rate which building societies are offering to investors compares with 8 per cent, which the banks are paying on seven-day time deposits." We may all know what he means but this statement is perhaps symptomatic of the confusion caused to a great extent by current building society advertising.

A building society does not offer 12 per cent to investors—it offers 7.5 per cent with basic rate income tax paid for the society. While this may matter little as far as the basic rate taxpayer is concerned, it makes an enormous difference to the very many small investors, perhaps elderly and financially unsophisticated, who do not have any liability for tax but who have nonetheless invested in a building society in the mistaken belief that they could not do better elsewhere. They are not getting 12 per cent; they are receiving 7.5 per cent and have paid the tax borne by the building society, they cannot recover it.

Notwithstanding this, the building societies continue to operate in concert and as a monopoly, but if one of the grossed-up equivalent rate in their advertisements, to an extent where they may well be in danger of misleading at least some sections of the public for whom 7.5 per cent is quite good and 12 per cent just pie in the sky.

Peter Gordon,
Century House,
15-19 Dyke Road,
Brighton.

such ultra-caution but do we all have to be classified as potential failures?

They would probably say that unless they became so involved with their customers' businesses—which takes up a lot of time and cannot be regarded as profitable—they must take this fall-back line.

Such action obviously aggravates people but are there other courses open to the banks bearing in mind their duty towards their other customers?

This is one of the weaknesses of the commercial banking system if we expect—as we are encouraged to do—our local bank manager to be all things to all customers. With the growing need for private companies to borrow from their bank, surely the banks must start to re-structure their branch system so that they can provide more "local" men-merchant banks" handling company finance to the virtual exclusion of private accounts.

Neil Corby,
27, Old Bond Street, W.1.

Guarantees by directors

From Mr. D. Gunn

Sir—Frank Davidson (February 21) raises the very interesting matter of banks and others questioning the demand for personal guarantees from directors, thus effectively nullifying their limited liability protection.

This practice has frequently appeared to my co-directors and I as outrageous and appears to present an opportunity to a go-ahead bank to break the spell and win a great deal of business by waiving this requirement. I say a bank rather than a clearing bank as the latter tend to operate in concert and as a monopoly, but if one of the clearer did take the plunge it would win the affection of many a company director.

David Gunn,
Vessex Timber Preservation,
57, High Street,
Fareham, Hants.

CCA costly on upkeep

From Mr. D. Goch

Sir—In his defence of Exposure Draft 18 (February 21), Les acknowledges that first year capital allowances and stock relief have done much of the job that might otherwise have been done by Inland Revenue recognised inflation accounting, and that the Price Code has done a similar job for prices.

I am puzzled, however, that he should seem to be arguing that this puts industry under some kind of obligation to accept the ED18 package as a quid pro quo. Historic cost accounts have their all that we are asking a bank defects but they have a factual basis that is fully understood and money to the directors' enter-prise; it is only right that those directors should demonstrate their own faith in their project by their willingness to put their own goods and chattels behind it. No bank is going to lend anything unless it feels reasonably confident that the company has a good chance of success.

What is wrong with the system is that banks require directors to put up far more moneys by way of guarantees backed by charges upon their assets—including their homes—than they are prepared to lend to the company, indeed the ratio is quite excessively in the banks' favour. Of course there are probably very good case histories of private companies going bust to justify

Ratios favour the banks

From Mr. N. Corby

Sir—Your correspondent Mr. Frank Davidson (February 21) questions the demand for personal guarantees to be given by directors of private companies to support bank borrowing or a lease.

I can see nothing wrong in this practice—however healthy a company's balance-sheet. After all what we are asking a bank to do is to lend its customers' money to the directors' enter-prise; it is only right that those directors should demonstrate their own faith in their project by their willingness to put their own goods and chattels behind it. No bank is going to lend anything unless it feels reasonably confident that the company has a good chance of success.

What is wrong with the system is that banks require directors to put up far more moneys by way of guarantees backed by charges upon their assets—including their homes—than they are prepared to lend to the company, indeed the ratio is quite excessively in the banks' favour. Of course there are probably very good case histories of private companies going bust to justify

Paying student fees

From Dr. C. Turchi

Sir—I have just read Professor Dahrendorf's frightening statement that giving in to the students' demand not to increase tuition fees would cost the London School of Economics £1.1m. and mean "massive redundancies."

As for the overseas students, a rapid glance at competitive markets such as the United States, might reveal a surprising situation: the typical annual tuition fee at such colleges as "Stanford," "Wesleyan" and the eight so-called "Ivy League" schools, run to at least \$4,000 (£2,360), and up to \$7,000 (£4,100) at some "big-name" American colleges and universities (such as Harvard, Columbia, etc.).

Dr. Costanzo M. Turchi,
Lecturer in Management,
Thames Polytechnic,
Wellington Street, S.E.18.

Student category	Average 1976-77	Prop. Average 1977-78	Payable by:
Full-time overseas:			Student
—Post-graduate	416	750	
—Undergraduate	416	650	
—Advanced further education	416	650	
Full-time home:			LEA*
—Post-graduate	152	750	
—Undergraduate	152	650	
—Advanced further education	150	650	
Overseas:			
—Non-advanced further education	260	325	
Home:			
—Non-advanced further education	104	125	
Part-time further education:			
—Advanced	22	30	
—Non-advanced	17	30	
—Non-vocational	21	15	

blamy.
House,
10, Gower Street,
W.1.

Director,
Wood Group

I am concerned to see the Financial Times of 21st February that you continue to support the British national party's demand for a "divine fishing zone" in the U.K. should sacrifice for the sake of this line is con-vincing comments in s an over the last six years we have suggested the fishing industry major concessions to a outline theology of EC "luary 27).

ish tat out that four app to have missed vital elemental point—re ather of a Com-mu-et—not called the non fees. There is no atreasure of any ber e which is shared ly we others. It is o warded to the ology he EEC" that are shared. In fact, origiarity of Rome s out the natural ices not become the erty Community. By using "divine" com-mu-et—not called the non fees. There is no atreasure of any ber e which is shared ly we others. It is o warded to the ology he EEC" that are shared. In fact, origiarity of Rome s out the natural ices not become the erty Community. By using "divine" com-mu-et—not called the non fees. There is no atreasure of any ber e which is shared ly we others. It is o warded to the ology he EEC" that are shared. In fact, origiarity of Rome s out the natural ices not become the erty Community. By using "divine" com-mu-et—not called the non fees. There is no atreasure of any ber e which is shared ly we others. It is o warded to the ology he EEC" that are shared. 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COMPANY NEWS + COMMENT

BOC up to £16.61m in first quarter

IN THE first quarter to December 31, 1976, pre-tax profits of BOC International, the industrial gases and engineering group, increased from £12.78m to £16.61m on group sales up from £129.59m to £139.22m.

Contribution to trading profit (£21.62m, against £17.64m) by region was: Europe £7.51m, (£8.01m), Africa £3.33m, (£2.85m), Americas £4.85m, (£4.13m), Asia £1.20m, (£1.96,000) and Pacific £4.72m, (£3.75m).

After tax up from £5.34m to £8.27m, net profit advanced from £5.44m to £8.34m, and stated earnings per 25p share rose from 1.99p to 2.53p.

As reported on February 22, in the full year to September 30, 1976, the group made a record pre-tax profit of £73.84m.

Commenting on the first-quarter results, the directors state that the improved profit from all regions over the December quarter of 1975 before conversion to sterling was achieved although the Americas were adversely affected by the difficult trading conditions experienced in Canada. The results include extra depreciation of £925,000 provided in anticipation of further asset revaluations to be carried out by the end of the current financial year.

Sterling has strengthened against other major currencies during the quarter, but the effect on group trading profit was not material, the directors add.

Table with 4 columns: Three months, Year, 1976, 1975, 1974. Rows include Group sales, Operating costs, Depreciation, Shareholders' funds, etc.

BOC comment

BOC could be heading towards profits of around £30m, pre-tax this year, for earnings on a normal tax charge of 12p per share, against last year's published 10.1p. This sharp growth of the past couple of years is slowing to around 15 per cent. in 1976-77. To date the U.K. operations are moving well, with sales volume up 3 per cent. overall. Canada is holding back North America but Afro remains a strong performer elsewhere overseas the Pacific area is strong but activity in South Africa is now falling off. Exchange profits in the three months were roughly matched by an extra 20.8m of depreciation and the absence of Rhodesia, worth £0.3m for the whole of last year. The shares eased to 67p yesterday where a prospective 75p is backed by a well-covered 61 per cent. yield.

Statement, Page 24

SKETCHLEY

Sketchley is forecasting pre-tax profits of not less than £2.2m for the year ending April 1, 1977.

INDEX TO COMPANY HIGHLIGHTS

Table with 5 columns: Company, Page, Col., Company, Page, Col. Lists companies like Associated Fisheries, Bids and Deals, BOC International, etc.

Textured Jersey up midway

ON TURNOVER ahead, from £3.1m to £3.9m, Jersey Knitted fabric manufacturers, Textured Jersey reports taxable profits for the six months to October 31, 1976, £51,000 in front of £52,000—a figure only £8,000 short of the £60,000 for the whole of last year.

The directors say they are encouraged by the improvement in profitability in the first half but they are concerned by the increase in raw material and other costs and are therefore not declaring an interim dividend. However, they will review the situation later. The last payment was a total 3.25p gross for 1975.

comment

Textured Jersey's interim profits are doubled at the trading level continuing the group's long haul back from the 1973-75 Jersey knitting slump. Sales are 26 per cent. higher and the group claims to have seen a volume increase of around 16 per cent. Demand for man-made fabrics did start to come back slowly during 1976 but most of the group's improvement has apparently come from new products which include Spunster an air-textured fabric. The group has so far spent about £0.35m on new equipment in the current

Johnson Matthey expanding

spending has been curtailed. There is no reason to anticipate any interruption to the company's record of annual growth, says Mr. T. Hampson Silk, chairman of Hill and Smith.

Turnover expanded by 22 per cent to £12.63m and pre-tax profit by 9 per cent to £322,283 (as reported on February 4). Stated earnings were up from 7.9p to 8.5p, and the total dividend was 2.1567p net per 25p share. A one-for-10 scrip issue is proposed.

comment

The current year's interim dividend amounted to 5p net. Last year's final was 6.9944p and profits £13.34m.

Thos. Cook recovers to £2.5m.

A TURNROUND from a pre-tax loss of £2.7m to a pre-tax profit of £2.5m is reported by The Thomas Cook Group for 1976. Sales of all products increased by 67 per cent over 1975, say the directors, and further marked increases are confidently expected during the current year.

comment

The strike at Ford in America held back sales of catalysts in the third quarter of Johnson Matthey and the pre-tax improvement over the seasonally weak second quarter is only 11 per cent. It now seems that the pace of the recovery took place in the company's second half last year, and that profits growth will now be moderate. On a longer view, the nine months profits are 48 per cent. up with mechanical production showing the greatest improvement as industrial de-stocking ended. Nevertheless, for the full year £10m now seems a minimum and £20m could be nearer the mark. This would make for earnings per share of about 36p and a p/e ratio of only 3.2 at 34p. In view of the fact that earnings do not include the increase in value of base stocks which passes direct to reserves, the rating is not demanding. The maximum yield is 5.4 per cent.

Good start at Hill & Smith

The current year has started with increased turnover in all divisions, and while industry is still in recession and public

DIVIDENDS ANNOUNCED

Table with 4 columns: Company, Current payment, Date, Total for year. Lists companies like Colmore Investments, Estates Property Inv. Ltd., etc.

Dividends shown pence per share net except where otherwise stated. Equivalents after allowing for scrip issue. * On capital increased by rights and/or acquisition issues.

Gillett Bros. turns in £0.47m. net

AFTER TAX and transfer to contingencies, bankers and bill discounters, Gillett Bros. Discount Company made profits of £469,245 in the year to January 31, 1977, compared with £550,461 for 1975-76.

The dividend total is held at 13p net per £1 share with a final 1.825p.

comment

Net disclosed profits of Gillett Bros. Discount are down by 15 per cent, which on the surface compares well with Alexander's results, but profits substantially realised have given a useful start to the new year.

Estates Property rises to £0.36m.

Gross rents received by Estates Property Investment Company increased to £265,000 in the six months ending October 31, 1976, compared with £277,000 and income from completed properties before tax rose by £53,000 to £361,000.

comment

A decreased interim dividend per 25p share of 0.5p (0.575p) net is announced. Gillett Bros. was 1.435p paid from pre-tax income of £665,000.

Westwood's second half upsurge

On turnover up from £1.48m to £1.73m, structural and mechanical handling engineers, Westwood Dawes and Co. increased pre-tax profits from £132,340 to £188,768.

comment

At halfway, reporting a fall in profits from £68,558 to £43,330, the directors said it would be unwise to anticipate full recovery in the second half.

Laganvale moves to reduce borrowings

Reporting turnover up from £22.2m to £24.3m (after an extra-ordinary charge) for the 52 weeks to January 31, 1976, against £21,821 a credit of £177 (£76) for tax previously overprovided, the directors of Laganvale Estate say that agreement has been reached with the company's major creditor that the group's borrowings of £21,000 should be reduced as follows:

That £100,000 should be paid to the creditor—£40,000 immediately and £60,000 over 18 months. This money is being held in trust for the benefit of the creditor, who is not a director but who is interested in the survival of the company. The loan is to be secured and is repayable in two years time.

That if the amount of £264,370 (the amount of £264,370 with interest fixed at 15 per cent, this sum will be accepted in settlement of the total debt.

The directors believe that the terms of the agreement can be met.

The outlook looks extremely uncertain but negotiations are continuing with other creditors and it is hoped to bring these to a favourable conclusion, they say.

Members were told that the company has only been able to continue because its major creditors have shown forbearance and understanding.

The directors have attempted to sell properties to reduce borrowings but they have proved difficult to sell at benefit to either creditors or the company.

Optimism from John Michael

Mr. J. M. Ingram, chairman of menswear designers, manufacturers and retailers, John Michael (Savile Row) says that the company faces the future with optimism. He told that the current year will clearly indicate a turnaround in the group affairs.

As reported on February 7, the

ISSUE NEWS AND COMMENT

English China to raise £13.4m.

English China Clay is proposing to raise £13.4m by way of a stone quarrying, concrete ducts and warehousing rights issue, and increase its dividend this year by some 44 per cent.

Boddy made pre-tax profit of £277,000 before exceptional items in the year to September. The £4.5m, consideration in shares, cash and scrip of the two at the option of the shareholders, acquisition will strengthen the quarrying division.

In addition negotiations are being conducted for the purchase of a company in the road and field, whose assets include £225,000 of marketable securities for a consideration of £500,000, part of which is to be satisfied by shares.

Lee Valley offer at 99p

Brokers Seymour Pierce have completed arrangements for an offer of 9 per cent Redeemable Preference Stock in Lee Valley Water at a minimum price of 99p per share.

NATIONALISATION OPPOSED

At a Press conference yesterday, Mr. Acton, Piers partner of brokers Piers, Set out his firm's opposition to the proposals to nationalise the water companies in the Queen's Speech.

SHARE STAKE

Unochrome International House of Fraser 10,800 McAff at 155p and 1,000 McAnally, Montgomery

ASSOCIATES DEALS

On February 22, Phillips and Drew bought 100 White Child and Benzey at 65p for an associate of the company.

NOTTINGHAM BRICK CO. LIMITED

Audited Result for the Year Ended 30 September 1976

Table with 2 columns: 1976, 1975. Rows include Sales, Profit before taxation, Taxation, Profit after taxation.

WILLIAM BATE (HOLDINGS) LIMITED

Change of Name The Group will now be known as Banro Consolidated Industries Limited

It has been decided to change the name of the parent company as the Group now embraces a much wider range of constituent companies and activities. The six subsidiaries retain their existing names.

The principal activities of the Group are the processing of metal in coil form, electroplating and the manufacturing of rolled sections, motor car body components, off highway vehicle components and decorative trim for the domestic appliance and motor industries.

BANRO

William Bate Limited - Elsted Spring (International) Limited, Percatella Limited - Edward Rose (Birmingham) Limited, Edward Rose (Telford) Limited, Edward Rose (Sections) Limited

Union Bancorp Consolidated Statement of Condition - December 31, 1976

Large financial statement table with columns for ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY, and various sub-categories like Cash and due from banks, Loans, Deposits, etc.

UNION BANCORP logo and address: Headquarters: 445 South Figueroa Street - Los Angeles, California 90071. Overseas Representation: Bogota, Buenos Aires, Caracas, Djakarta, Hong Kong, Lima, London, Mexico City, Nairobi, Nassau, Panama City, Quito, Rio De Janeiro, Tokyo, Toronto.

WILLIAM BATE (HOLDINGS) LIMITED logo and text: Change of Name The Group will now be known as Banro Consolidated Industries Limited

Increased loss from own and City

TAX loss of £3.36m. is reported by City Properties for the year ended September 28, gross income from all 9m. of £17.96m. compared with £14.4m. in 1976. Interest payable fell to £1.98m. from £2.47m. in 1976. There is again a dividend. Last year's payment was 0.01p net per share after a pre-tax loss of £3.36m. The directors state that, since 1976, when a figure of £3.36m. was announced, £3.36m. of property has been sold with a book value of £11.65m. These figures have no regard to valuation surpluses in previous years amounting to £1.44m., which were included in capital reserves and have been written off, say the directors. Members are told that the taxation relief included in these figures is £700,000 (£1.78m.), of which £497,000 (£1.46m.) has been credited to net outgoing attributable to all development properties and is limited by reference to the amount of offsettable chargeable capital gains. Significant losses remain available to be carried forward against future revenue profits, say the directors. See Lex

Recovery at Bolton Textile

IN THE half-year to October 31, 1976, Bolton Textile Mill Company made pre-tax profits of £158,000, compared with a loss of £1.27m. in the previous full year. A second-half loss of £122,000. The directors say that the current year has started very well with a profit of £30,000 after a second-half loss of £122,000. The directors say that the current year has started very well with a profit of £30,000 after a second-half loss of £122,000. The directors say that the current year has started very well with a profit of £30,000 after a second-half loss of £122,000.

SANYO ELECTRIC CO. LTD.

CAO DEPOSITORY RECEIPTS OF ORDINARY SHARES

The above-mentioned CD Rs are informed that the General Meeting of Shareholders will be held at Osaka on 28th, 1977.

on to the business customarily on the agenda, the following will be discussed:

ation of the articles of association;

inment of directors and auditors;

ration of final dividend of Yen 3— for the financial year November 30th, 1976, payable on March 1st, 1977.

November 26th, 1976, the shares have been traded in Japan. The dividend is expected to be made payable in Holland mid-March 1977. Until then, the CD Rs will be an dividend in Amsterdam.

as the English versions of the notice convening the meeting relevant explanatory notes have been received, they will be available for inspection at the office of The Sumitomo Trust, 5, Moorgate, London EC2R 6HU.

16th, 1977.

BANK MEES & HOPE NY
as duly authorized Agents of
Carnegie Administration Company N.V.

epic Estates Property Investment Company Limited

Interim Report for six months ended 31st October 1976

	6 months to 31st October 1976 (unaudited)	6 months to 31st October 1975 (unaudited)	Year to 30th April 1976 (actual)
rents receivable	£983	£877	£1,836
property income	803	723	1,457
rest charges	442	427	791
ome from completed properties before taxation	361	296	666
ation	95	130	215
ome from completed properties after taxation	266	166	451
rest (net) arising in the United Kingdom attributable to the Belgian development vision for reduced value of property held by dealing subsidiary	185	114	216
	183	114	240
NET SURPLUS AVAILABLE FOR DISTRIBUTION	81	82	211
DIVIDEND	(0.5p) 73	(0.875p) 128	(1.435p) 210

Interest for the six months to 31st October, 1976 attributable to properties in course of development, amounting to £33,000 (1975—£108,000), has been excluded from the above figures and will be charged to reserves.

Owing to lack of time, the outgoing Commission of the E.E.C. was not able to provide before the end of 1976 the promised written confirmation of the conference hall leasing arrangement for the site in Brussels.

The matter has not yet come before the new Commission, but the Company and its partners are in active contact with the appropriate authorities and there is no reason whatever for supposing that this delay is anything more than a brief postponement of the plans regarding the development of the site in Brussels.

The results of property dealing for the six months to 31st October, 1976 (1975—nil) are unlikely to be of significance in relation to the results of the year and have not been included in the above figures.

An interim dividend in respect of the year ending 30th April, 1977 of 0.5p per share (1976—0.875p) will be paid on 4th April, 1977, to holders of ordinary shares registered at the close of business on 11th March, 1977.

February, 1977

HILL & SMITH LIMITED

Steel Stockholders · Steel Fabricators · Hot Steel Stamping Manufacturers of Steel Railings and Road Safety Barrier

Eight years of unbroken growth

No interruption in growth record anticipated...
T. Hampson Sirk (Chairman)

Consolidated Companies Limited

Associated Fisheries more optimistic this year

THE GENERAL trading outlook for Associated Fisheries justifies greater optimism than a year ago, Mr. P. M. Tapscott, chairman, tells holders.

Group policies will continue to be centred on earning a higher and fully adequate return from the substantial assets employed and eliminating all areas of weakness; the benefit of this policy started to emerge during the second half of last year and the top priority is to carry this trend much further.

It seems reasonable to expect a better year than the one just past, Mr. Tapscott states—first quarter results of each division are ahead of budget and much ahead of the comparative period last year.

Dealing with the outlook for the fishing industry, Mr. Tapscott says: "Provided adequate control and policing of the 200 mile economic zone around the U.K. can be achieved, it should be possible to conserve and develop the fish stocks so as to attain a sustainable annual catch of the order of 2.5m. tonnes, plus perhaps a further 1m. tonnes of blue whiting. Discussions in Brussels have not yet determined fishing limits and allocation arrangements within the 200 mile zone, but it is expected that the U.K. must have an exclusive 50 mile (or median line) zone.

With a 50 mile exclusive zone, the British fishing fleet should be able to double its annual weight of fish landings, resulting in vastly improved catch rates and much better utilization of vessels, he says. Such fish landings might well be in excess of total home demand but there would seem to be good opportunities for export, either within the EEC and to other countries.

Since the end of the financial year British United Trawlers, the AF subsidiary, has exchanged its shares with the parent company, satisfaction in certain conditions, should result in it entering into a joint venture with interests in Western Australia. As part of the agreement, the parent company will be transferred to Albany, where it is planned to land and

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends covered are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interim: Crossfields Trust, Dolan Packaging, London Shop Property Trust, United Industrial Trust, South Essex Thames Plywood Manufacturing, The Investment Trust.

Final: Great Eastern, Barclays Bank, Belferford, E. and J. Hill, Hoover, Alexander Howden, Imperial Chemical Industries, Great British, Reliable Properties.

FUTURE DATES

Interim: Beaverbrook Newspapers, Mar. 18; Lloyds and General, Mar. 18; Royal Bank, Mar. 18; Staffordshire Pottery, Mar. 17.

Final: BSA, Mar. 8; BTR, Mar. 1; C. G. S., Mar. 1; Needlers, Mar. 10; Oliver (George) Footwear, Mar. 4; Royal Bank, Mar. 10; Royal Bank Petroleum, Mar. 10; Sedgwick, Feb. 25; Shell Transport and Trading, Mar. 18.

process the catch for the Australian market. In 1976 the company reported a turnover from a pre-tax loss of £2,031m. to a profit of £1,911m. for the year to September 30, 1976. The recovery coming in the second half. The directors intend to restore the annual dividend to the 1974-75 peak of 3.53p in the next practical date—the 1975-76 dividend payment of 1.55p compares with the previous year's 0.125p.

The chairman says that the improved results were assisted by better fish prices and more favourable trading conditions—each division traded substantially better.

Capital expenditure has been held below what the directors would have wished; that authorized for the current year but not contracted for, amounts to £9.5m. It is expected that the new establishment of the joint venture in Western Australia.

Leyland Paint confident

THE FUTURE is viewed with considerable confidence by Mr. J. Douglas Paybody, chairman of Leyland Paint, who says: "The company's financial position has been put on a firm foundation. The expansion programme and rationalization programme and the fact that the company has proved their worth and the directors continue to seek further improvements.

As already reported, taxable pre-tax profits for the year ended January 21, 1977, jumped from £9,422m. to £12,330m. The advance was due to a rise in the volume of sales and increased operating efficiency. Total turnover was up 20 per cent at £20.25m. and exports expanded 52 per cent to £3,077m.

The "satisfactory" year helped the short term borrowing position which at £2.25m. compared with £1.51m. There was a net inflow of £1.4m. (£1,400,000 outflow).

During the year the paint division experienced considerable benefits from the integration of production at Leyland and the streamlining of production in the wall-covering division and existing machinery is being improved to ensure that the company will be able to provide products required by the market.

To avoid seasonal factors causing disparity between the two half years it has been decided to change the year end to December 31. The current period will, therefore, be for the 15 months ending December 31, 1977. In the case of overseas associates, however, the year end will remain on a September 30 basis. The Board intends, provided adequate profitability continues, to follow a progressive dividend policy and to ensure that this change of year end will not affect shareholders adversely.

Meeting, Leyland, on March 18, at 12.30.

W. J. Pyke deficit—no dividend

After a fall in pre-tax profits from £11,000 to £10,000 in the first half, W. J. Pyke (Holdings) incurred an increased loss of £34,431 for the year to June 30, 1976, compared with £1,058 before a tax credit of £34,892 (£2,579).

The loss per 10p share is shown at 6.453p against earnings of 0.0192p and there is no dividend compared with 0.9344p net per share.

In his annual statement, Mr. W. J. Pyke, the chairman, says the loss is in part the result of a provision of £55,000 in respect of the London Eating Houses bad debt.

There should be a return to profits in the current year and he is confident that because of the recent reorganisation the group is better poised now than at any time to take full advantage of any upturn within the industry.

Investigations into the stock and debt records at the Mife End depot have revealed certain deficiencies in the accounting records. While it has not been possible to quantify the precise figures, the directors believe that full provision has been made in the accounts for all losses to date of the closure of the depot in September, 1976. This has resulted in a provision of £30,000. The auditors qualify their report in this respect.

Meeting, 18, Berkeley Street, W., March 18 at noon.

Hallam Sleigh resumption

The directors of Hallam Sleigh have announced that the company, which was placed in liquidation in 1975, has resumed operations. The company has secured a new contract for the supply of steel railings and road safety barriers to the Ministry of Transport. The directors are confident that the company's financial position is now sound and that it is well placed to meet its obligations.

Tace improvement to continue

First quarter figures at Tace confirm the upward trend of profits and Mr. J. H. Mackenzie, the chairman, anticipates that the improved rate of profitability achieved in the second half of last year should be maintained in the current year.

As known, pre-tax profit for the year ended September 30, 1976 was steady at £407,000 (£404,000).

The directors have concluded that the high borrowings within the group coupled with funds being held in connection with a legal case preclude the payment of any further dividends for the year ended September 30, 1976 and the payment of the first dividend payable in March on the Preferred Ordinary shares for the year ended September 30, 1977. The future dividend position will be reviewed at the time of reporting the half yearly figures in the light of the then current trading conditions and any progress in the legal case, he adds.

Referring to the industrial products division, he says that VAT was reduced in the second half of last year and this coupled with depleted customers' stock levels led to sharply increased demand particularly in elements of small appliances. The outlook for the current year has therefore improved considerably. The first quarter shows improvement over that of the previous year and a better year is expected.

TKM venture for exports

The international and finance group Tozer Kemsley and Millbourn (Holdings), has signed a letter of intent to set up a joint venture company with Sumitomo Shoji Kaisha, one of the largest Japanese trading houses, with a view to developing imports into Japan from the EEC.

The new company—to be called Sumitotoz—is researching the possibilities of selling U.K. and French automotive components and accessories to Japanese motor

Face improvement to continue

In precision engineering current profitability is still not good, and it looks like a difficult year ahead until margins and business improve.

The Dutch companies are now returning to profitability and it is felt that this trend will continue and a positive contribution to profit is expected in the current year.

Although the borrowings of the group have increased by £1.1m. since the year end, a large part of this is accounted for by transferring to deposit with Dutch bankers the Guilder equivalent of £700,000 as security for a guarantee in connection with the Dutch case coupled with an increase in foreign borrowings equivalent to £300,000 caused by the fall of sterling. In real terms therefore group borrowings have not increased materially. The only increase to the vendors of the Dutch companies for a reduction in the purchase price due to matters undisclosed at completion has now been done into a legal action to collect Dfl.3.2m. (£775,000) in connection with the purchase agreement and the company is counter-claiming an amount more than this amount.

Under the new arrangements with Dutch bankers the first payment of Dfl.11m. has been deferred to April 1, 1978, or until the result of the legal case is known.

Meeting, Essex Hall, W.C., March 18, 11 a.m.



AECI LIMITED

(Incorporated in the Republic of South Africa)

PRELIMINARY PROFIT ANNOUNCEMENT 1976

1. Trading Results

The Directors announce the trading results of the Group for the year ended 31st December 1976, subject to audit, as follows:

1975	1976
R millions	R millions
283.7	456.4
52.8	59.0
18.6	20.0
34.2	39.0
5.0	6.7
4.0	5.6
0.7	0.8
0.3	0.3
29.2	32.3
33.5c	30.6c

Tax savings arising from investment allowances transferred to non-distributable reserves

Attributable to:
Minority shareholders of subsidiaries 0.8
AECI preference shareholders 0.3
Attributable to AECI ordinary shareholders 32.3

2. Dividends

Preference Dividend No. 77 at the rate of 5.5 per cent per annum for the six months ended 15th December 1976 has been declared and paid. The Board has declared a final ordinary dividend of 8c per share (1975—11.5c). This, together with the interim dividend of 8c per share (1975—6.5c), makes the total distribution for the year 18c per share (1975—15c). Dividend cover has reduced from 1.9 in 1975 to 1.7.

3. Comments

Group sales for 1976 totalled R456.4 million, an increase of 18.9 per cent over 1975. Profits before taxation amounted to R59.0 million, an increase of R3.2 million (11.7 per cent) over the 1975 profits. Earnings per ordinary share reduced from 33.5c in 1975 to 30.6c, the latter taking account of the additional 50,263,871 shares issued during the year.

The volume of sales which was approximately 10 per cent higher in 1976 than in 1975, was higher in all business sectors other than Agriculture.

Profit margins in 1976 were lower than those achieved in 1975. This resulted from the necessity to absorb certain costs in terms of price control and the anti-inflation manifesto and from the adverse trading conditions encountered in the building and motor industries. In addition output from the Modderfontein Nitrogen complex, although at a somewhat higher level during the closing months of the year, was insufficient to meet in full the local demand. This again resulted in the need for some imports on which, by arrangement with Government, no profits were earned. However, the operation of the plant continues to improve.

The Coalplex project is progressing satisfactorily. The design phase is virtually complete, procurement is well under way and work at the site is substantially on target.

The annual report will be posted to shareholders towards the end of March.

Transfer Secretaries:
Consolidated Share Registrars Limited, on behalf of the Board,
62 Marshall Street,
Johannesburg 2001.
H. F. OPPENHEIMER,
D. N. MARVIN,
Directors

Charter Consolidated Limited, Registered Office:
P.O. Box 102, Charter House,
Park Street, Ashford, Kent, 16th Floor, Office Tower,
TN24 8EQ, England. Carlton Centre,
Johannesburg 2001.

22nd February, 1977

BAKERS STORES

Results for the 52 weeks ended 25th Sept. '76

"Once again a record year"

	Sept. 74	Sept. 75	Sept. 76
TURNOVER (Exc. VAT)	£1.20M	£1.67M	£2.16M
PROFIT before Tax	£102,152	£155,915	£204,625

BAKERS HOUSEHOLD STORES (LEEDS) LTD.

Gillett Brothers Discount Company Limited

Preliminary Results

The directors of Gillett Brothers Discount Co. Ltd. announce the results (subject to audit) for the year ended 31st January, 1977.

	1977	1976
Group profit for the year after tax and transfer to contingencies	£ 469,245	£ 530,461
Dividends paid and proposed	272,113	272,113
Retained profit for the year	197,132	278,348
Balance brought forward	493,373	215,025
	690,505	493,373
Transfer to general reserve	250,000	—
Balance carried forward	£440,505	£493,373

The directors propose a final dividend of 8.125% making a total for the year of 13% equivalent to 20% gross. This is the same as was paid in the previous year.

The following are the main items shown by the balance sheet.

	1977	1976
Total capital and published reserves	3,578,708	3,381,571
Bills discounted less rebate	140,045,948	158,476,286
Sterling and Dollar Certificates of Deposit at less than market value	8,078,047	10,053,929
Listed investments at less than market value	21,397,317	12,401,522
Goodwill less amount written off	1,110,878	1,280,089
Contingent liability on commercial bills rediscounted	32,868,000	45,377,000

"The latest movement in interest rates came too late to be fully reflected in the results, but profits now realised have given us a useful start to our new year."

MINING NEWS

Gold Fields battles on in Australia

BY KENNETH MARSTON, MINING EDITOR

THE BEST that can be said of the half-year results of the Consolidated Gold Fields group's Consolidated Gold Fields of Australia is that they have achieved a points lead over those for the same period of a year ago. But, as CGFA admits, they are disappointing. There is a net operating profit of \$1.73m. (£1.1m.) for the six months to December 31 last, compared with a loss of \$2.37m. in the same half of 1976. But on the latest occasion minority interests of outside shareholders in the subsidiary companies have claimed \$2.15m. leaving the parent with a loss of \$9.82m. against a loss of \$2.5m. a year previously. Substantial profits were derived from the tin and coal interests and the investment portfolio, but these were offset by losses on copper per and iron ore operations. Group results were also affected by a higher depreciation charge by the copper-producing Mount Isa and the latter's reduced production plan. Mount Lyell, which last week reported a net loss of \$2.93m. (£1.99m.) for the six months to January 12, continues to cause considerable concern, and its future depends not only on the successful operation of the new production plan but on a sustained rise in copper prices. Consideration will be given before the end of the current financial year to June 30 to writing-down CGFA's investment in Mount Lyell. It is also announced that negotiations are expected to be finalised shortly for the sale of the Mount Goldsworthy iron ore property to the parent Consolidated Gold Fields and a profit is expected therefrom. Looking to the current half-year CGFA cautiously anticipates an improvement in operating results, before any extra-ordinary write-downs or profits, provided that the benefits of Australia's devaluation are not eroded by cost increases. The shares were 157p yesterday.

ROUND-UP

A long strike at the central Yukon zinc-lead mine of Cyprus Anvil Mining has led to the company making a 1976 net loss of \$1.3m. (£941,600) against a profit of \$20.9m. the year before. The mine and mill at the mine were shut down for about half of the scheduled operating time last year.

UTAH'S GROWTH SLOWS DOWN

The current financial year has not started as buoyantly as Utah Mining Australia had hoped. But UTAH's net income should be substantially higher if the company's proposed participation in the Central Queensland Coal Association is not too long delayed, the chairman, Mr. C. H. Rennie, has told the annual meeting in Sydney. UTAH is the vehicle for Australian investment in Utah Development, the U.S.-owned coal producer which in the year to last October recorded the biggest earnings, at \$136.9m. (£88.1m.), ever achieved by a group in Australia. UTAH's stake is 10.8 per cent.

UTAH is proposing to buy a 4 per cent stake in COCA, which is owned by Utah Development, with 85 per cent, and Mitsubishi of Japan. But the proposal is conditional on the Norwich Park coal development going ahead, Yukon Consolidated, the shares of which were 127p yesterday.

BIDS AND DEALS

Ultra gets 185p cash offer from Racal

Racal Electronics has more than met stock market expectations with a 27.4m. counter-bid for Ultra Electronics at the same time revealing that it now has a 28.7 per cent stake in the company. The bid exceeds by more than 5m. the \$8.17m. offer made by Dowry Group last week, which has a 13 per cent holding. Ultra's share price rose 10p yesterday in line with the new bid terms of 185p in cash. An appropriate offer is to be made for the Ultra convertible loan stock of which Racal holds 18.5 per cent. The Racal terms compare with Dowry's four-for-three offer which is worth 154p with Dowry at 119p, up 3p yesterday.

Lomex riding high again

FULFILLING the promise shown at the half-year stage, the Rio Tinto-Zinc group's Lomex copper and molybdenum mining operation in British Columbia reports net earnings for 1976 of \$215.9m. (£91.1m.), or 133 cents (110p) per share, compared with only \$226,000 in 1975. A year ago, the mine announced a fall in 1975 earnings, before tax and Government royalty, to \$28.16m. To make matters worse the imposition of British Columbia's revised and punitive royalty system took \$7.5m. BC has since repealed the harsh tax system and this change is a major factor in the sharp recovery in the 1976 earnings of Lomex. In addition, the company has achieved higher copper production, equivalent to 145,7m. lbs compared with 129.2m. lbs in 1975; has obtained an average metal price of 65 cents per lb against 55 cents; and has benefited from lower unit costs and lower interest charges. The \$1 per cent income debentures were repaid in September in the amount of \$71m., mainly from a new bank loan of \$407m., which is repayable over five years; \$7m. was repaid on February 15 last. RITZ's 51 per cent-owned, Rio Algom holds 68.5 per cent of Lomex. Some 20 per cent of Lomex is held by Yukon Consolidated, the shares of which were 127p yesterday.

whose Board was meeting late yesterday evening, offered any firm comment on the new bid from Racal. It was noted yesterday that the 10 per cent stake bought by Racal in Ultra originally marked "a last Thursday is shown to have been acquired at 185p compared with a closing market price that day of 85p. Late on the same evening Ultra announced that an approach had been made and the following day Dowry launched its 150p a share bid. See Lex

Brooke Bond £11m. ranch disposal

Brooke Bond Lichis, the tea, coffee, meat and food products group, has sold its ranching interests in Argentina for a consideration of \$15.8m. (£11m.). The company says that it intends to use the proceeds to develop its existing operations in Canada and the U.S. The contract provides for payment of \$15.8m. in cash. Not less than 40 per cent of the consideration will be due by March 31, and the balance not later than March 31, 1978. Interest will accrue on March 31, 1977, at a rate of 8 per cent. Group trading profit for the year to June 30, 1976, of \$24.8m. (£17.9m.) and at that date it had net tangible assets being sold, which had a book value of \$4.7m. at that date. The group's meat processing operations in Argentina will be included in the sale of the ranching interests.

Neither Dowry Group nor Ultra,

Hanson buys Hamlyn group

British Agricultural Services, the U.K. agricultural subsidiary of Hanson Trust, is making offers for the capitals of Hamlyn and Co. and Hamlyn and Co. (Tranmere) for \$27,000 in cash. The offers, which are recommended by the directors of Hamlyn, have been irrevocably accepted by the holders of 83 per cent of the equity. For the year to August 31, 1976, Hamlyn reported a pre-tax profit of \$267,000 (1975 \$182,000) on turnover of \$9.2m. (£7.9m.) and at that date it had net tangible assets of \$977,000. Hamlyn, a privately owned business, is a provender miller and agricultural merchant operating in Scotland and Cheshire. Its main interests are in animal feed stuffs and the distribution of wet grains and distillery by-products.

Neither Dowry Group nor Ultra,

MARSHALLS PURCHASE

Marshall's (Halifax) has acquired from Temper Group of Sheffield the capital of Higher Speed Metals and also the freehold land and property on which HSM's factory premises are situated. Consideration is £185,000, which has been notified by the issue of 262,253 Ordinary shares in Marshall's which have been placed by E. B. Savory Miln, a cash payment of £135,000 based in Sheffield and manufacturing a complete range of tungsten carbide hard metals and tipped tools. The purchase will enable Halifax Tool—a Marshall's subsidiary—to rationalise its production programme by transferring existing hard metal production from Halifax to Sheffield. Profit before tax of HSM for the year ending March 31, 1977 is expected to be at least £25,000. Net tangible assets at April 30, 1976 amounted to £388,000.

BOWATER INTENDS U.S. SALE

Bowater Corporation intends to dispose of its 71 per cent holding in Mercantile Industries, the quoted U.S. trade financing concern. The move is seen as part of Bowater's general move out of financial operations. Bowater said last night that no agreement had yet been reached with a potential purchaser.

FAIRCLOUGH

Leeds Fairclough emphatically denies that there is any truth whatever in suggestions of any contact, share dealings, or other conversations with Norwest Holst and has no interest in that company. Fairclough has never held or has not acquired any shares in Norwest Holst.

COUBRO & SCRUTTON

Coubro and Scrutton (S. and L) of London, specialist in the acquisition of the L. A. Welch Group.

RECENT ISSUES

EQUITIES

Table with columns: Issue, Date, Price, High, Low, Stock, Closing Price, etc.

FIXED INTEREST STOCKS

Table with columns: Issue, Date, Price, High, Low, Stock, Closing Price, etc.

"RIGHTS" OFFERS

Table with columns: Issue, Date, Price, High, Low, Stock, Closing Price, etc.

Resubmission date, usually last day for dealing free of stamp duty. a Flotation price to public. b Figures based on prospectus estimate. c Dividend rate paid payable on part capital, cover based on dividend on full capital. d Pence unless otherwise indicated. e Foreign dividend cover based on previous year's earnings. f Dividend and yield based on prospectus or other official estimate for 1977-78. g Quoted. h Figures assumed. i Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. * Issued by tender. ** Offered to holders of Ordinary shares as a "rights". @ 30p S.A.T. cents. A Rights by way of capitalisation. B Tender allotment order. C Subscription. D Issued in connection with takeover. E Share or take-over. F Issued in connection with takeover. G Issued in connection with takeover. H Issued in connection with takeover. I Issued in connection with takeover. J Issued in connection with takeover. K Issued in connection with takeover. L Issued in connection with takeover. M Issued in connection with takeover. N Issued in connection with takeover. O Issued in connection with takeover. P Issued in connection with takeover. Q Issued in connection with takeover. R Issued in connection with takeover. S Issued in connection with takeover. T Issued in connection with takeover. U Issued in connection with takeover. V Issued in connection with takeover. W Issued in connection with takeover. X Issued in connection with takeover. Y Issued in connection with takeover. Z Issued in connection with takeover.

BOC

BOC International Ltd Interim report for the three months ended 31 December 1976 Group profits, unaudited:-

Table with columns: Three months to, Three months to, Year to, Group Sales, Operating costs, Depreciation, Add: Group share of associated companies' profits less losses, Group trading profit, Europe, Africa, Americas, Asia, Pacific, Interest, Group profit before tax, Tax, Minorities, Group profit attributable to parent company, Earnings per share (based on 256,614,000 ordinary fully paid shares of 25p in issue at 31 December, 1976): 2.55p 1.89p 10.50p

1) All regions showed improved profits over the December quarter of 1976 before conversion to sterling, although the Americas were adversely affected by the difficult trading conditions experienced in Canada. 2) The results of the three months to 31 December 1976 include extra depreciation of \$925,000 provided in anticipation of further asset revaluations to be carried out by the end of the current financial year. 3) Sterling has strengthened against other major currencies during the quarter, but the effect on Group trading profit was not material. Further copies of this report may be obtained from the Secretary BOC International Ltd, Hammermith House, London, W6 8DR Tel. 01-748 2020.

FREDERICK W. EVANS LTD

Manufacturers of high precision thermo-setting and thermo-plastic mouldings. 66% Profit Increase in our Golden Jubilee Year. The 45th Annual General Meeting of the Company was held yesterday in Birmingham. The following is the circular statement by the Chairman, Mr. R. W. Evans: PROFIT: Running an industrial company over the last year has been a traumatic experience, your Directors have had to cope with an economy that has been plagued with inflation, when forecasting has been quite impossible and all costs have been escalating on a daily basis. It is therefore with great pleasure that I am able to record the fact that your Company has not only achieved substantial increase in turnover but a 66% increase in profit over the previous year. This is particularly pleasurable as the Company has just completed its 50th year of trading. DIVIDENDS: An interim dividend of 60p per share was paid on August 18, 1976. The Directors now recommend a final dividend of 72p per share making a total of 132p for the year equivalent with tax credit of 20.37% (15.52%). This is the maximum we are allowed to pay under the stringent Government restrictions, payable on February 29 to those on the register at February 10, 1977. SCRIP ISSUE: Your Directors have also recommended that we make a scrip issue of 2 for 5 ordinary shares to holders of the shares on December 31, 1976, this is to increase marketability, bring the capital more in line with the increased size of the Company. These additional shares will not qualify for an dividend declared for the year ended September 30, 1976. PLANT AND BUILDINGS: As in previous years, your Directors have continued with their policy of investing wherever possible in the latest machinery and plant, thus making parts at the lowest possible cost and of the very highest quality and precision. During the year we have moved our fully automated caption shop to new premises where they have more space and a better layout to improve their productivity, thus allowing space occupied by them to be used for a considerable extension to our compression moulding shops. It is here that we are concentrating our efforts in the manufacture of dough moulding compounds, which are rapidly gaining popularity due to their excellent electrical properties and physical strength. We have now cleared the site for our new building, which we had hoped to start this year. Unfortunately the plans have been delayed by local authority regulations and restrictions, these we now hope are resolved and piling work on the foundations will be starting early in the new year with completion late summer or early autumn. We plan to use this for an extension to our finishing and packing departments. PROSPECTS: The first two trading months of the current year have started very well and in November we achieved a record output. Orders on hand, which have been received from the whole strata of trade and industry, show a marked increase over the previous 12 months. It is for this reason therefore that your Directors consider that foreseeable trading is healthy and enter the future full of confidence. Nevertheless, the climate of uncertainty which makes forecasting impossible, but provided the Government does not dampen the spirits of industrial enterprise by too much new legislation, we shall prosper. Fortunately we have a healthy balance and no borrowings which tends to alleviate the ups and downs of commercial life.

NOTICE OF ISSUE ABRIDGED PARTICULARS

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

Lee Valley Water Company (Incorporated in England on the 29th July, 1959, by the Lee Valley Water Act, 1959.) OFFER FOR SALE BY TENDER OF £2,000,000 9 per cent. Redeemable Preference Stock, 1982 (which will mature for redemption at par on 31st March, 1982) Minimum Price of Issue £99 per £100 Stock yielding at that price, together with the associated tax credit at the current rate, £13.99 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961, and by paragraph 10 of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order, 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972. The Stock will be entitled to a dividend of 9 per cent. per annum without deduction of tax. Under the imputation tax system, the associated tax credit at the rate of 35/65ths of the distribution, is equal to a rate of 4 11/13ths per cent. per annum. Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to Barclays Bank (London and International) Limited, New Issues Department, P.O. Box 123, 2, London Wall Buildings, London Wall, London, EC2P 2BU marked "Tender for Lee Valley Water Company Stock", so as to be received not later than 11 a.m. on Wednesday, 2nd March, 1977. The balance of the purchase money is to be paid on or before Friday, 25th March, 1977.

GENERAL INFORMATION The Company now supplies water in an area of approximately 860 square miles in parts of the counties of Bedfordshire, Essex and Hertfordshire and parts of the London boroughs of Barnet, Enfield and Haringey. The population supplied is estimated at 1,009,000. The proceeds of this issue will be used to provide new mains, service reservoirs, pumping stations and other works which are required to meet the demands of existing and new consumers and to replace and provide funds required for the redemption of certain Debentures and Stocks. Further capital will be required in due course for the Company's continuing programme of development. Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:-

Seymour, Pierce & Co., 10, Old Jewry, London EC2R 8EA. Barclays Bank (London and International) Limited, New Issues Department, P.O. Box 123, 2, London Wall Buildings, London Wall, London, EC2P 2BU. Barclays Bank Limited, 88 Town Centre, Hatfield, Herts, AL10 0JP. or from the Offices of the Company at Bishops Rise, Hatfield, Herts, AL10 9HL.

Nippon Paint Co., Ltd. Osaka, Japan DM 30 000 000.- 6% Convertible Bearer Bonds of 1977/1985. Berliner Handels- und Frankfurter Bank, Nomura Europe GmbH, Inter-Alpha Asia (Hong Kong) Limited, Nomura International (Hong Kong) Limited, Swiss Bank Corporation (Overseas) Limited.

Vertical text on the right edge of the page, including "NEWS" and other fragments.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Confidence in Brazil loan

BY BERNARD SIMON THE TERMS of the giant \$500m. Euroloan for the Brazilian state steel corporation Acominas, reflect confidence that recent fears of over-exposure of Brazilian borrowers in international capital markets are exaggerated. Market feeling is that considering these fears, the package will find a reasonably good response. As reported last week, the loan is in two tranches. A DM1400m. slice with a maturity fractionally under six years offers a spread of 1 1/2 per cent above London Interbank Offered Rate (Libor). Lead manager is the Dresdner Bank affiliate Compagnie Luxembourgeoise de Banque. The second tranche totals \$825m. One slice of \$125m. (an amount which may be increased at a later stage) has already been placed with British and French banks. The terms for this portion are the same as for the DM tranche. The second chunk of \$700m. is to be syndicated on the open market—mainly among North American banks—and will be offered from early March. Three maturities will be available—five years, carrying a spread of 1 1/2 per cent; six years offering a spread of 3 per cent; and seven years with a spread of 2 1/2 per cent. Lead managers for the second tranche are Chase Manhattan Bank, Morgan Grenfell (also the overall co-ordinator) and Banque de Paris et des Pays Bas. The spreads offered are the same as those on medium-term loans for Brazil late last year. However, there are added attractions. The participation fees are higher on the six and seven year portions, and the banks would hope for further business from Acominas after construction of the steel plant gets under way. An obvious question is how a loan of this size can succeed when capital markets are already awash with Brazilian paper. (Brazil soaked up \$3.2bn. of Eurocredits last year, more than any other country and it is expected that debt servicing will consume more than half the country's export receipts this year.)

Pakhoed denial

BY MICHAEL VAN OS AMSTERDAM, Feb. 23. A SPOKESMAN for the Board of Pakhoed, the Dutch transport and international storage, transport and property group, has officially denied persistent Dutch press reports that serious tensions have arisen within the executive Board in Rotterdam. He also described an untrue report that Board member Mr. E. Christensen, who also heads the Blouwhoud property division, tendered his resignation some time ago and that this was not accepted by the supervisory Board. The spokesman would only say that there had been a "difference of opinion" within the Board on the desired organisational structure of the company. The company is expected to comment on the reports more fully at next month's press conference on the publication of the 1976 annual report. There have been rumours for some time surrounding the Pakhoed company about management difficulties. These were fuelled a month ago when it was revealed that Board member Mr. Michael Cook was resigning from the company on April 30 this year. The reason he gave for leaving a company in which he had played a large part in building up, was that he did not want to spend his whole life with Pakhoed. Various interpretations have been put on this. Speculation tends to concentrate on how the tides have changed for Pakhoed, particularly in the past year and in activities, for many years the big growth area for the company, had a sharp set-back as a result of lower energy consumption and the recession as well as over-capacity in the oil refining sector. Pakhoed, however, countered these difficulties by strongly expanding into the North American market where it saw major opportunities in the utility companies. Only two months after the announcement by its Pakhoed subsidiary that it had acquired in yet another move on the U.S. market a 180,000 cubic metres capacity tank terminal in Westwego, near New Orleans, Pakhoed revealed two new moves in North America to-day.

Hong Kong Gas proposes rights issue

BY PAULINE CLARK HONG KONG and China Gas Company announced yesterday net profits of \$HK18.97m. in the year ended 31.12.1976. The company proposed a two-for-five rights issue to raise \$HK66.5m. As indicated at the beginning of last year, a final dividend of 26 cents is to be paid, making a total for the year of 80 cents on capital increased by the 1976 scrip issue. The company also said it expected to pay a total dividend in the current year of 84 cents on the increased capital. Details of the company's performance last year and its capital expenditure plans are expected shortly in the rights issue prospectus. Further information is also anticipated on negotiations with the Government over a "scheme of control" whereby, in the case of the other larger Hong Kong utility companies including Hong Kong Electric and China Light and Power, the Government would seek to place some restriction on profits available for distribution to shareholders. The rights issue comes in spite of a statement by the company in August 1976 that capital expenditure until 1978 could be financed out of cash flow and that there were no plans for a rights issue in the period. However, it is noted that the group is in a highly capital intensive business, at a time when consumer demand for utilities, because of favourable housebuilding demand in the current year is expected to rise rapidly. It is pointed out, for instance, that the present 3 per cent annual compound growth rate of the Hong Kong Electric is likely to be maintained until 1980, implying continued high growth potential for all the local utility concerns. Nevertheless, since 1975 when the company was fighting a takeover bid from Hong Kong Electric, H.K. Gas Company's profit growth rate has slowed down significantly. The 1976 26 per cent profit increase compares with a 45 per cent rise in 1975. In the first six months of last year, the net profit figure was 27.2 per cent up on the comparable period in the previous year, and in the second half only 25.3 per cent higher.

Further W. German issue likely

BY PAULINE CLARK THE WEST German Federal Government is expected to go to its domestic market shortly with a further major bond issue after its first 1977 tranche of DM1.5bn. early last January. However, market opinion is divided on whether it will repeat the ten-year maturity which has dampened secondary market activity in the longer-term tranche of the previous loan and still trading at 98.57 per cent against its issue price of 99.50 per cent. In addition there is some uncertainty about whether the new issue will be a single DM500m. borrowing or whether another two-tranche bond is forthcoming to raise DM1bn. or more. Although liquidity levels among financial institutions remain high and ensure relatively smooth fund-raising operations on the market over the next few months, some investor caution has emerged recently on the outlook for the small investor continues to be persuaded away from the market by the competitive yields still available on the fixed price Federal savings bonds offering a 7 per cent, plus average yield to maturity. Present indications are that the new government issue for an up to six-year tranche would carry a coupon of about 6 1/2 per cent, while an eight-year tranche would be expected to carry a 7 per cent rate, both with an issue price at par. Should the government eventually opt for a further ten-year tranche, the market would be expecting a 7 1/2 per cent coupon at par. Conditions will be set by the authorities to-morrow. Earlier this month, the market was reassured by the Federal Government's ability to meet its February borrowing requirement by the placing of a DZ200m. three-and-four-year Kassenschatz obligation while recent fears that the national old age pension Government-owned concern would be coming to the market with its well known financial difficulties were discounted when DM500m. worth of short-term paper was sold instead. Against this background, the Bundesbank this week announced that net domestic borrowing on the market rose to DM48bn. in the first six months of 1977, worth of short-term paper was sold instead. Against this background, the Bundesbank this week announced that net domestic borrowing on the market rose to DM48bn. in the first six months of 1977, worth of short-term paper was sold instead.

SELECTED EURODOLLAR BOND PRICES

Table with columns: STRAIGHTS, MID-DAY INDICATIONS, Bid, Offer. Lists various bond prices including American Express, Shell, and others.

Wall Street doubtful on IBM move

BY STEWART FLEMING INITIAL REACTIONS on Wall Street to the announcement by International Business Machines that it is to spend over \$1bn. trying to buy in about 2.7 per cent of its equity are to question whether there will be many sellers ready to accept the offer. IBM announced yesterday that it was prepared to buy at least 4m. of its shares and possibly as much as 5m. shares at a price of \$280 a share. Prior to the announcement IBM stock was selling at \$270 which compares with a high during 1976-77 of \$288 and a low of \$233. The initial market reaction to the news was to add a little over \$5 to the IBM share price. Some brokers suggested that the small premium which IBM was offering would mean that not many investors would be tempted to accept the offer. The most likely takers would be institutional funds which had a long-term policy decision to lighten their IBM holdings. There has already been something of a sort out among the blue chip stocks such as IBM which suggests that many such policy decisions will have already been taken. As to explanations for IBM's decision, they are not hard to find, analysts suggest. Unlike the U.K. corporations in the U.S. are allowed to purchase their own stock with prior disclosure. Analysts suggest that IBM has decided that such purchases are one of the best investments the company can make in its rather special circumstances. These circumstances include the fact that it is engaged in a monopoly suit with the U.S. Justice Department which might inhibit the giant corporation from making acquisitions on any scale. In addition it is pointed out that the company is embarrassingly rich in cash. At the end of last year the company held some \$6bn. in cash and marketable securities in its balance sheet, which given current levels of U.S. short term interest rates, are, analysts argue, not earning an adequate return. IBM's shareholders have grown to expect a lot from their investment in what is the classic growth stock.

Berliner Bank pays the same

BERLINER BANK last year showed a net profit of DM13.5m. based on a 10.8 per cent. growth in the volume of business to DM5.2bn. The increase duplicates the performance in 1975 and the bank will be paying the same dividend of 18 per cent. Deposits rose 9.9 per cent to DM4.1bn. but loans increased by only 4.9 per cent to DM3bn. The bank said industry's credit requirements were very low in the light of high liquidity and a low propensity to invest. What growth there was came from an increase in acceptance credits of DM14.8m. and DM106.2m. in long-term borrowing. Time deposits rose 18.6 per cent to DM1.3bn. and savings deposits were up 7.5 per cent to DM1.8bn. The number of accounts rose twice as fast as in 1975 to 802,912. The bank's Stock Exchange and investment banking business showed an improvement over the previous year and the 7 1/2 per cent Berlin loan managed by the Berliner Bank took part in negotiating 112 loans for foreign issuers of which 48 were in DMs and the rest in foreign currencies.

ROCHE LITIGATION A new dimension

BY A. H. HERMANN, LEGAL CORRESPONDENT THE LITIGATION concerning Roche to reduce the prices of Valium and Librium by 40 per cent has taken on a new dimension. The Supreme Court confirmed the Appellate Court's finding that Roche, in respect of these tranquilizers is a market dominating enterprise and that the Cartel Office has the power to fix a level of prices which such an enterprise must not overstep without getting on the wrong side of the law against abuse of market power. But the Supreme Court thought that the Appellate Court's homework was lacking. It should state more clearly how it arrived at the notional "competitive price" and at the margin which Roche was to be allowed to overstep it before becoming guilty of abuse of its market dominance. Besides being of great importance for the future of price control of market dominating enterprises in Germany, the case is of great topical interest for the U.K. (quite apart from the historical interest which it has as the chief worry of the revamped order imposed on Roche products in the U.K.). Its topical interest is twofold: first, the question of how to determine a fair price which an enterprise wielding considerable market power must not overstep will be the chief worry of the revamped Price Commission as soon as the new price control legislation announced earlier this week is passed by Parliament. The second point of general interest was raised by Dr. Deringer.

Ovag reports rise in turnover

OSTERREICHISCHE VOLKSBANK AG, the Austrian bank, reported a 32.5 per cent. increase in turnover to Sch.17.5bn. Own funds and resources reached Sch.47.7m. or 2.73 per cent. of the balance sheet. At the end of 1975 this position amounted only to Sch.13.9m.

KHD sees satisfactory results

BY ADRIAN DICKS KLOECKNER Humboldt-Deutz, the West German utility vehicles and engineering group, promised shareholders today a "satisfactory result" in profits for last year, though it did not go into details of the dividend which the executive Board will recommend for 1976 to the supervisory Board. After increasing group turnover to DM4.2bn. (£1.0 bn.) to DM4.4bn. last year, the executive Board also said it hoped that 1977 would show further growth, in spite of a business climate which it said was hard to judge, "since fundamental impulses towards demand are impossible to discern at home or abroad." Provisional 1976 figures included in to-day's letter to shareholders indicated that both the series-produced items made by the KHD Group (vehicles, engines and tractors) and its industrial plant installation business had a successful year, although their growth came from different quarters. For the parent company, KHD AG, the main reason for an 11 per cent. gain in domestic turnover came from the tractors and tractors divisions—a finding that coincides with independent indications that these branches of the motor industry, together with commercial vehicles, have been responsible for much of the buoyancy in West German investment goods orders in recent months.

Y.S. Line raises \$25m.

BY TONY HAWKINS Y. S. Line (Cayman) Ltd. is to raise \$25m. in the Eurobond market with a 7-year issue of guaranteed notes with an average life of 7 1/2 years. The indicated coupon for the notes is 7 1/2 per cent and they will be listed on the Luxembourg Stock Exchange. Lead managers are Nikko Securities Company (Europe) Ltd. and Baring Brothers and Co. Ltd. which is running the books. The management group includes IBI, International Ltd., Kidder Peabody International, Manufacturers Hanover Ltd. and Swiss Bank Corp. (Overseas). YS Line is one of the six largest Japanese shipping companies with a fleet of 174 vessels, and orders are to be placed soon for the construction of three further vessels. The proceeds of the Eurobond issue, guaranteed by Sanwa Bank Ltd., will be used to finance the construction of the new ships. Although the secondary market was slightly more active yesterday again there was no discernible trend with prices tending to drift. In first-time trading the Saab-Scania 1969 issue at 93 per cent, priced earlier in the week at 92 1/2, was supported by the dealers. They said they did not see much selling, but argued that the discount in the after-market reflected the continuing state of new issue indigestion. Volvo reacted downwards to the Saab-Scania terms with the price slipping from a middle level of 98 1/2 to Tuesday to 98 yesterday. Once again there was more interest in seasoned bonds and floaters than the new issues. Toyo Kanetsu's 1982 issue on a 7 1/2 per cent coupon, priced at par, was trading at 98 1/2-99.

Conti Gummi disappointed

BY GUY HAWKIN FRANKFURT, Feb. 23. WEST GERMANY'S largest tyre manufacturer, Conti Gummi-Werke, has reported that winter tyre sales failed to live up to expectations. With forecasters predicting a hard winter, the concern had hoped to do well. Not only has this winter been mild, but it appears that many distributors still had tyres in stock from the previous season. Another factor has been that motorists, increasingly turning to steel-girded radials, have displaced a growing willingness to trust their summer tyres in winter conditions.

CCT loses over \$2m.

BY ROBERT LINDLEY BUENOS AIRES, Feb. 23. A CHILEAN tobacco company in which the British-American Tobacco Company has capital has reported 1976 losses of \$2m. Chilean pesos, more than \$2m. The cause, says a spokesman for the Comania Chilena de Tabacos (CCT), is high taxes in which make up 87 per cent of the value of the cigarettes.

Trust Bank in plan for R2.3bn. merger

BY RICHARD ROLFE JOHANNESBURG, Feb. 23. AGAINST a background of continuing fears for the viability of some of the more exposed members of the South African banking system, mainly due to its property commitments, four banks in which the insurance group Sanlam is the biggest or controlling shareholder are to be merged into a single entity, with gross assets of about R2.3bn. at the end of 1976. The proposal is for Trust Bank, generally treated as one of the South African big five, to be taken over by Sanlam's bank holding company, Bankorp, which controls the Bank of Johannesburg, an NP and leasing operation, the merchant bank Senbank and Credit Bank, on terms yet to be announced, but which taking the closing prices of 100 cents for Bankorp and 48 cents for Trust Bank, should be close to one-for-two. Local bankers believe that Trust Bank only accepted the merger terms because of great pressure. Its gross assets at R1.4bn. are almost twice those of the three banks in the Bankorp stable, yet it has been forced into what is effectively a reverse takeover. Moreover, it will nominate only one director, its flamboyant founder and chairman, Dr. Jan Marais, to the combined group's Board. The reason seems to be that Trust Bank's heavy reflected in the fact of market capitalisation assets are about the size of Bankorp's, despite its larger gross assets, has been suspect in the present climate, and in view of its property commitments, amount to over 100 per cent of its share capital and reserves at the end of 1976. Scope for rationalisation combined group's activities is substantial, and one-aimed theory is that Trust will in effect be cannibal with its existing interests hived off to the specialist Bankorp, and its commercial banking activities, it is stated, being merged with Republic's biggest bank, in which Sanlam also has a 20 per cent holding. This merger, coming after the end-January exit of Rand Bank in which it also has a shareholding, a bold announcement, a recycling deposits to the banks, suggests a high degree of concern by the Treasurer Reserve Bank. Further merger activity, though it will be smaller scale and designed to eliminate any remaining links.

'Lifeboat' arranged

BY OUR OWN CORRESPONDENT JOHANNESBURG, Feb. 23. FOLLOWING consultations on Monday with the big five South African banks—Barclays of National, Standard, Nedbank, Volkskas and Trust—the Reserve Bank has announced details of the "lifeboat" arrangement it proposes for the smaller banks to ensure that the system remains viable. The Big Five agreed to place an additional R55m. at the National Finance Corporation, which is controlled by the Reserve Bank with Commercial Bank and other institutional shareholders, over and above their minimum compulsory balances. This R55m., which is probably related to deposits recently switched away from the small banks, will then be available for recycling. The other part of the package is that interest rate controls which banks and building societies may pay, at present limited to 10 per cent over set 12-month money, will apply only to amount under R250,000 and acquisition.

Chemie Linz holds sales despite price pressure

BY PAUL LENDVAI VIENNA, Feb. 23. CHEMIE LINZ, the foremost Austrian chemical concern, reports that in contrast to most other similar companies in Western Europe, which between 1974 and 1976 have had to reduce their output due to the changed world market situation, the Austrian concern managed to maintain its turnover. Mr. Hans Buchner, the director general and chairman of the Board, told the Press that the turnover of the company dropped despite the pressure on prices only by 1 per cent to Sch.7.4bn. (£250m.) last year compared to 1975. Group turnover totalled Sch.9bn. The last year was characterised by exceptionally large investments involving the erection of a newly acrylicrilan plant of an annual capacity of 75,000 tonnes which will go into production mid-1977. Pilot runs started at the new plant with an annual output of 300,000 tonnes. Chemie is expected to remain in the coming years the only producer of acrylicrilan in Austria with 80 per cent of the production exported. The company suffered setbacks on the East European markets due to the scarce foreign exchange in countries concerned. At the same time, however, the plant managed to maintain market share in the East European market. It is regarded as particularly important developments involving the erection of that the deservies of a new acrylicrilan plant of an annual capacity of 75,000 tonnes which will go into production mid-1977.

Woolworths Australia records

BY C. L. DUNN WOOLWORTHS Australia has reported record sales and earnings for the year ended January 31, 1977. The company also stated that the increase in sales indicated a satisfactory improvement in market share. Sales are up by just over a fifth from \$A1.02bn. to \$A1.24bn. while net profits have risen even faster, improving by 46 per cent to \$A23.68m. (1976: \$A16.24m.). Extraordinary items this year include a credit of \$A0.85m. compared with an extraordinary debit last year of \$A0.7m. Adjusting for these items reduces the rate of increase in net profits to 35 per cent, a figure roughly in line with the gain recorded recently by the other Australian variety store chain, G. J. Coles. A final dividend of 6 cents, payable on May 13, has been declared, and this raises the pay-out for the whole year to 8.5 cents, or 1 cent above last year's rate. The results should be viewed in the context of the management's aggressive "Woolworths Lower Prices" campaign, a drive to secure by reduced prices an increased market share. Last year, the company stated that the higher sales volume which this generated resulted in higher net operating profits, despite a lower gross profit margin. NICHOLAS INTERNATIONAL, manufacturers of Aspro and Renale, as well as other home and prescription medicines, along with medical and scientific equipment, has announced continued growth in both sales and profits for the half year ended December 31, 1976. Weekly net asset value on February 21, 1977 Tokyo Pacific Holdings N.V. U.S. \$ 40.92 Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$ 29.84 Listed on the Amsterdam Stock Exchange Information: Pierson, Holding & Pierson N.V., Herengracht 214, Amsterdam

Table with columns: VONTABEL EUROBOND INDICES, PRICE INDEX, YIELD, etc. Lists various bond indices and yields.

STANDARD AND CHARTERED/BANCAL BID

Test of Mr. Schmidt's style

BY ART GARCIA IN SANTA BARBARA

STANDARD and Chartered bid for all the assets of Tri-State Corporation, at \$30 a share, may or may not come as a gratifying surprise to its chairman, president and chief executive, Mr. y Schmidt.



Mr. Chauncey E. Schmidt.

Mr. Schmidt was just over two years in the posts, arriving from First National Bank of California where he had been in charge of a definite brief the struggling company. The key to Mr. Schmidt's management style has been an emphasis on calm progress concentrated on unravelling some of the tactical mistakes of recent years rather than a whirlwind of instant rejuvenation.

On receipt of the bid, Mr. Schmidt is in the possibly a position of having to choose whether to accept or to reject the offer. He is said to be in a position to accept the offer, but he is also said to be in a position to reject it. He is said to be in a position to accept the offer, but he is also said to be in a position to reject it.

Latin America and the Far East. There has been a good deal of talk about the Pacific Basin as an emerging "new frontier" and Mr. Schmidt was in agreement with much of the optimism for that area. He believed Bank of California would carve out a comfortable share of that growing business.

Other steps have involved the shedding of virtually all of Bancal's non-banking subsidiaries that had been accumulated since 1972, when the parent holding company was organised. "We're getting back to our basic business of what we know best," says Mr. Schmidt.

fits, it also had been criticised for having no "image" in the banking or investment community. "We're going to change that, and change it by performance," promised Mr. Schmidt. In 1976, the company reported net earnings equal to only 56 cents a share, the lowest level since 1971, but he considered that return both the bottom and the beginning point of a rebound.

Republic Steel Corp. said has improved in the last few weeks officials said. "While the severely penalised by the extreme winter weather in January and February, reports AP-DJ. The company said "the severe cold and resulting gas curtailments hampered operations and sharply affected productivity at all districts and divisions including our Alabama district in Alabama."

Cold hits Republic Steel

CLEVELAND, Feb. 23

Pakistan Airlines

By Our Own Correspondent

KARACHI, Feb. 23

PAKISTAN International Airlines made a record profit of over Rs.100m. (\$10m.) during the last six months of 1976—July to December. The profit during July-December 1976 was Rs.30m. According to the financial results for the first half of the current fiscal year, overall revenue was of the order of Rs.3bn., an increase of 41 per cent over July-December 1975. Expenses were higher by 35 per cent.

These Bonds were offered and sold outside the United States of America. This advertisement appears as a matter of record only.

February 4, 1977



Republic of Iceland 9% Bonds Due 1987

- List of banks and financial institutions including First Boston (Europe), Credit Suisse White Weld, Hambros Bank Limited, Manufacturers Hanover Limited, Westdeutsche Landesbank Girozentrale, etc.

Advertisement for Agricultural Development Bank of Iran Seven Year Loan, US \$130,000,000. Arranged by First Boston (Europe) and Iran Overseas Investment Bank Limited. Managed and provided by Chemical Bank, Security Pacific Bank, Bank Melli Iran, etc.

These Notes were offered and sold outside the United States of America. This advertisement appears as a matter of record only.

February 9, 1977

Republic of Venezuela 8% Notes Due 1984

- List of banks and financial institutions including First Boston (Europe), Deutsche Bank Aktiengesellschaft, Morgan Stanley International, Union Bank of Switzerland (Securities), J. Henry Schroder Wagg & Co. Limited, etc.



Directors: Geoff Cooper (left), and Richard Bailey.

"Midland Bank does a fine job for us by complementing our craftsmanship and technology"

-Richard Bailey, Managing Director, Royal Doulton Tableware Limited



In the decorating shop: a craftsman working on a new range of wildlife scene

Royal Doulton are Britain's biggest manufacturers of china—from everyday tableware to the most elaborate ornamental figurines.

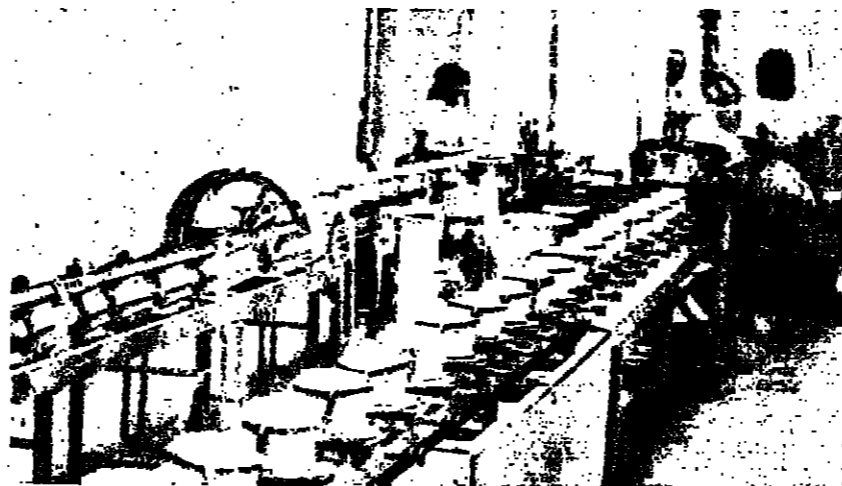
Besides Royal Doulton, their famous brand names include Minton, Royal Crown Derby, Royal Albert, and Beswick. You can buy a bone china cup-and-saucer for £1—or an elaborately crafted piece from the Figures Collection for £2,113.

Over 50% of the company's total production goes for export—for some product ranges that figure exceeds 80%. And they have received Queen's Awards, two for exports and one for technical innovation.

Says Managing Director, Richard Bailey: "Exports are vital to our success as a company and, indeed, to the survival of the country as a whole. Our greatest assets are the accumulated skills embodied in our 10,000 employees and the world-wide reputation of our brand names. The successful marketing and manufacture of fine china is very much a matter of good teamwork, and the Midland does a fine job for us by complementing our craftsmanship and technology."



The plate decorator's meticulous artistry.



Flowline cup production.

"A million dollars a month and no bother"

Geoff Cooper, Finance Director, takes up the story: "We've always had very good service from the local Midland branch at Hanley."

"That can be crucial in the export field, where the sheer quantity of documentation demands a high degree of expertise and organisation."

Royal Doulton's foreign currency needs are particularly complex. With the virtual disappearance of fixed exchange rates over the last three years, competing in fiercely contested overseas markets takes on added problems and perils.

Says Geoff Cooper: "What we've wanted from the Midland, we've got. For example, to protect us from fluctuations in exchange rates, Midland Bank's International Division helps us with forward currency dealings. This can involve a million dollars a month. With the Midland that's no bother. Everything happens as it should."

"Midland Bank support helps us to increase our exports"

Royal Doulton people are expert craftsmen and women: even with automated processes a piece may be handled no less than 36 times. "We're potters," they say. "We make functional things, fit for their purpose, that are also artistically satisfying."

The plate decorator's meticulous artistry, the skill of the engineer, the intense professional

affection a figure painter brings to each owl: all illustrate the essential role of people in this craft-based yet highly sophisticated company.

Most of the company's production takes place in the famous pottery towns around Stoke-on-Trent, where Royal Doulton are continuously expanding and modernising their factories to boost production. Midland Bank finance is used for capital expenditure, including, for example, a £1½-million medium-term loan for new plant.

Says Richard Bailey: "We find the Midland are personable people with whom it has been easy to establish a sound and profitable business relationship. They give us good financial support as a result of which we are able to develop our business and increase our exports."

How does Midland Bank Group fit in?

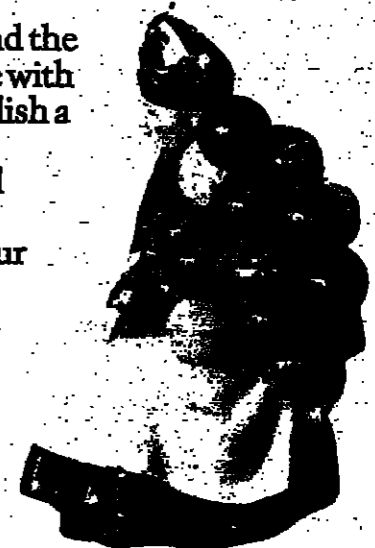
Whatever your company's size and style, or the kinds of banking service you need, you'll find the Midland people good and businesslike to deal with. Your Midland manager can also help you with access to services provided by all the powerful companies that make up Midland Bank Group.

Services that include facilities for term loans, leasing, hire-purchase, merchant banking, equity capital for growth companies, international insurance broking and advisory services, international and export finance, travel, factoring, investment management and trust services. Also, for very large companies, Midland's Corporate Finance Division has a select team that can work directly with the company to make the best possible use of the wide range of Group services.

Talk to your local Midland manager—he can put you in touch with all the right people.



A rare pâte-sur-pâte vase from the Minton Museum.



Old Balloon Seller from the Royal Doulton Figurine Collection.



Midland Bank Group

Principal trading companies: Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited, Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Finance Corporation Limited, Northern Bank Trust Corporation Limited, Midland Bank Trust Corporation Limited, Midland Bank Group Unit Trust Managers Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited, Midland Bank Insurance Services Limited, The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited, Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Guyerzeller Zurnmont Bank AG, Midland Montagu Industrial Finance Limited, Jersey International Bank Commerce Limited, Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc, Bland Payne Australia Limited, London American Finance Corporation Limited, British Overseas Engineering & Credit Company Limited, Drake (UK) International Limited, Drake America Corporation, Export Credit Corporation.

مكتبة الاصول

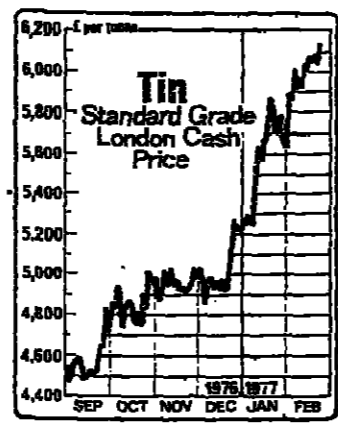
MINING AND RAW MATERIALS

S. lifts m price gets All-round rise lifts London metal market

WASHINGTON, Feb. 23. BERGLAND, the U.S. of Agriculture, has increased target wheat, feed grains and...

BY JOHN EDWARDS, COMMODITIES EDITOR

RENEWED BUYING interest, especially by speculators, brought an all-round rise in prices on the London Metal Exchange yesterday.



Copper cash wirebars closed 212.75 up at 527.5 a tonne. The market opened higher on the rise in New York overnight and was also boosted by chartist buying.

ar market is lower

PRICES continued to rise yesterday as selling increased under estimates of rising supplies and stocks.

Coffee rallies to new peak

BY RICHARD MOONEY

COFFEE FUTURES prices on the London terminal market resumed their upward trend yesterday with the May position registering a new record closing level of 53.13.

Mr. Rainbolt said close surveillance by the CFTC of suspect positions held in September and December contracts last year failed to produce evidence that would support charges of price manipulation or market control.

September 9.2 per cent, at the end of October 10.9 per cent, at the end of November 23.2 per cent, and at the end of December 33.4 per cent.

Importers attack NZ lamb move

THE IMPORTED Meat Trade Association and the New Zealand Meat Exporters Council were united in their total disagreement with the unilateral action by the NZ Meat Board in establishing a company in London to intervene in the pricing mechanisms of the frozen lamb market.

COMMON MARKET

Rice policy upsets the importers

BY BERNARD SIMON

BRITISH RICE importers are quietly tearing their hair out over the Common Agricultural Policy. They complain it is the bureaucrats in Brussels who look not only of market forces but also of consumer tastes.

The Commonwealth Secretariat recently predicted for instance that average U.S. prices this year are likely to be well below the target price for paddy under the Rice Programme.

Threshold

To be fair, the Community's threshold levels have undoubtedly stabilised imported rice prices in recent years.

Any intervention by the NZ Board in the world market is likely to have the opposite effect to that intended.

Although world paddy output for 1976-77 is 12 per cent down on last year's 344m tons, export availabilities are still well within requirements.

There are some signs that Brussels recognises the indecisiveness of the present state of affairs and is doing something to bring EEC import prices more into line with free market levels.

Cocoa prices rise sharply

By Our Commodities Staff

LONDON COCOA prices rose sharply yesterday although there were no new fundamental factors affecting the market.

Paddy crop

Although world paddy output for 1976-77 is 12 per cent down on last year's 344m tons, export availabilities are still well within requirements.

Farm land investment may raise prices

SIR HENRY PLUMB, president of the National Farmers' Union, yesterday warned that institutional investment in farm land could push up prices to the detriment of British agriculture.

U.S. Markets

COFFEE and metals rise; grains firm

COMMODITY MARKET REPORTS AND PRICES

METALS

Table with columns for Metal, Grade, and Price. Includes items like Tin, Copper, and Aluminium.

Gold 1381-1411

Table showing Gold prices for various grades and quantities.

COFFEE

Table showing Coffee prices for different origins and grades.

RUBBER

Table showing Rubber prices for various types and grades.

SUGAR

Table showing Sugar prices for different origins and grades.

PALM OIL

Table showing Palm Oil prices for various grades.

PRICE CHANGES

Table listing price changes for various commodities.

U.S. Markets

Table showing U.S. market prices for various commodities.

COMMODITY INDEX IN NEW HIGHS

Money is commodities. That is one of the reasons why investors in 31 different countries subscribe to this index.

SILVER

Silver was fixed 1.76 an ounce higher for spot delivery in London on the metal market yesterday.

SOYABEAN MEAL

The market opened unchanged to slightly higher and remained until the firm Chicago opening.

WOOL FUTURES

LONDON: The market was unchanged to slightly higher in this trading, reports the Wool Textile Institute.

INDIA READY TO BUY WHEAT

By K. K. Sharma NEW DELHI Feb. 23. THE FOOD Corporation of India is preparing to make large purchases of wheat (winter) crop begins towards the end of March.

FINANCIAL TIMES

Table showing financial data and market indices.

Advertisement for Multiple Sclerosis treatment, featuring a testimonial and contact information for the Multiple Sclerosis Society of G.B. and N.I.

Advertisement for 'ST IN 50,000 BETTER TOMORROWS!!' featuring a testimonial and contact information for a medical clinic.

Advertisement for 'COFFEE and metals rise; grains firm' with detailed market analysis and price data.

Advertisement for 'INDIA READY TO BUY WHEAT' with market analysis and contact information.

Advertisement for 'PRICE CHANGES' with a detailed table of commodity price movements.

Advertisement for 'U.S. Markets' with a detailed table of U.S. market prices and analysis.

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

INVESTMENT ADVISER
£10,000-£15,000 plus
ONE OF THE WORLD'S LARGEST INVESTMENT MANAGERS
A challenging appointment with considerable scope for growth in an international organisation
A new appointment for candidates aged 28-35 who have acquired a minimum of 5 years' practical investment or investment research experience and ideally will have gained a thorough understanding of international economics and fixed interest markets. You must also combine a relish for penetrating investment analysis with a than average authority and courtesy in handling clients.
If you have "new business" flair and if you seem likely to get along with the present team, then you will be an outstanding candidate.
If we suspect you are looking for at this stage of your career is a widening of your experience. The initial appointment is principally in the management of securities. You could move later to other parts of the operation. Our pension scheme has grown rapidly in the past five years; we manage a number of investment unit trusts; we provide government bodies and corporate clients with international currency advice; specialist departments are active in property and in commodities; we supervise some of the largest investment portfolios in the country.
There is regular travel and interchange of views with the affiliated Rothschild investment banks in Europe, the United States and South East Asia. We can promise you a friendly atmosphere and an increase in your work load as you are fully stretched.
Remuneration package will be highly competitive.
We are giving curriculum vitae and present salary to:
Staff Director,
Rothschild & Sons Limited,
1 Court, St. Swithin's Lane,
London EC4P 4DU.

INTERNATIONAL BANKING

FROM BANKING, INSURANCE OR ACCOUNTANCY UP TO £7,000+ SUBSTANTIAL BENEFITS
The post is in the London office of one of the largest international banks, which is expanding at a high rate.
The need is for someone to join the team serving the international insurance market, one of whose main concerns is international money management. The client list is particularly strong. You need not be an international banker as full training will be given. The minimum experience is three to five years in banking or alternatively a similar period in insurance or in accountancy concerned with insurance. Preferred age: 20's. The benefits include house mortgage and personal loans at an advantageous rate.
Your name will not go forward to our client until you have had a full briefing on the job and have given your consent. Please send a summary covering employment history, achievements, current remuneration and age to:
Terence P Hart Dyke
Business Development Consultants (International) Ltd
26 Dorset Street
London W1M 3FU
A management consultancy specialising in recruitment and placement in Great Britain

M. Rothschild Asset Management Limited
Investment Manager
We are looking for an investment manager, aged 25-28. You must have had at least two years' experience in investment advisory work or portfolio management. You must also combine a relish for penetrating investment analysis with a than average authority and courtesy in handling clients.
If you have "new business" flair and if you seem likely to get along with the present team, then you will be an outstanding candidate.
If we suspect you are looking for at this stage of your career is a widening of your experience. The initial appointment is principally in the management of securities. You could move later to other parts of the operation. Our pension scheme has grown rapidly in the past five years; we manage a number of investment unit trusts; we provide government bodies and corporate clients with international currency advice; specialist departments are active in property and in commodities; we supervise some of the largest investment portfolios in the country.
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Remuneration package will be highly competitive.
We are giving curriculum vitae and present salary to:
Staff Director,
Rothschild & Sons Limited,
1 Court, St. Swithin's Lane,
London EC4P 4DU.

INSURANCE ANALYST
Galloway and Pearson, a member firm of the Stock Exchange, following internal promotion within its Institutional Department, wishes to appoint an analyst to work with a small, established team specialising in Insurance Shares.
Although a degree or professional qualification is desirable, it is essential that applicants should have had at least two years relevant experience either with an Institution or with a Stockbroker, have the ability to write lucidly on insurance shares and be able to generate original ideas.
The successful applicant could expect to receive a fully competitive salary and bonus and would have good prospects of advancement within the firm.
Please write in the first instance with curriculum vitae to D. W. L. Balleny, at the firm's offices at Wainford Court, Throgmorton Street, London EC2N 2AU.

Chief Executive Industrial Training Board
The Clothing and Allied Products Industry Training Board, whose scope encompasses approximately 280,000 people and 6,000 employer establishments, seeks to appoint a new chief executive.
The Chief Executive will advise and guide the Board in the formulation of policies and plans and will be responsible for their implementation through optimum management of the Board's resources.
The successful candidate will be expected to lead and give direction to the Board's professional and administrative staff (some 80 in number) and will have prime responsibility for effective communication and collaboration with the industries served, the Training Services Agency and other bodies, organisations and institutions associated with the work of the Board.
Candidates should be aged 35 to 50. Their careers must provide evidence of high managerial and administrative competence in an organisation of substance - ideally in a related industry - and of experience or real interest in training.
Salary negotiable around £10,000 plus car and other benefits. Location Leeds.
Please send relevant details - in confidence - to P. Saunders ref. B.37341.
This appointment is open to men and women.
MSL Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

Export Finance Manager
This appointment is in the Export Finance Department of our International Banking Division in the City.
The man or woman to fill this post will probably be in their 30's with at least four years' experience of negotiating ECGD buyer credit/financial guarantees. It is essential to have a thorough grasp of commercial contract conditions and of the Euro-currency market, as well as an understanding of the application of foreign exchange situations to export contracts. Some travel will arise, both in the U.K. and abroad.
Salary will be by negotiation; generous fringe benefits include subsidised mortgage facilities. Career prospects are excellent.
Please write giving full career details or telephone for an application form and further information, quoting reference B.775, to: P. D. Richards, Williams & Glyn's Bank Limited, New London Bridge House, 25 London Bridge Street, London SE1 9SX. Tel: 01-407 3121, ext. 463.
WILLIAMS & GLYN'S BANK

USS UNIVERSITIES SUPERANNUATION SCHEME LIMITED
Investment Administrator - Liverpool
Universities Superannuation Scheme Ltd. is the Trustee Company responsible for the operation of the new self-administered Superannuation Scheme for the academic and related staff of all universities in the United Kingdom. The new Scheme is compulsory for all new employees and approximately 50,000 existing staff have an option to transfer to it.
Investment policy is the responsibility of the Management Committee, advised by an Investment Sub-Committee and assisted by various organisations which provide professional investment services.
The Fund is increasing rapidly in size and it is now proposed to appoint an Investment Administrator who will be based at the offices of USS Ltd. in Liverpool. The duties will include co-ordinating the liaison between the Trustee Company and the various investment organisations concerned, and the design, installation and maintenance of a suitable investment recording system within the office.
Applicants should have a degree or professional qualification and have five years' experience in a financial institution, which includes experience in dealing with investment records and accounts.
The salary proposed for this pensionable appointment is up to £6,000 p.a.
Applications should be sent to:
P. Selwyn Esq., M.A., F.I.A., F.R.C.S.,
UNIVERSITIES SUPERANNUATION SCHEME LTD.,
601 Tower Building, 22 Water Street, Liverpool L3 1BN.

Welsh Office - Y Swyddfa Gymreig
Assistant Industrial Director
Colwyn Bay
An important element in the Government's regional policy measures aimed at stimulating industrial development is the provision of selective financial assistance under Section 7 of the Industry Act 1972. The Welsh Office is responsible for implementing this policy in Wales.
The Assistant Industrial Director, based at Colwyn Bay, working under the guidance of the Industrial Director (located in Cardiff) will have a major role to play in the administration of this form of assistance in North Wales. The primary responsibilities of the post will be to seek out firms in the area which might be encouraged to undertake expansion projects, and to assist in the evaluation of applications for selective financial assistance and in their presentation to the Welsh Industrial Development Advisory Board.
Candidates must have had recent senior experience in industry or finance (preferably both). They must also have the ability to discuss financial issues authoritatively with top management and to influence the planning and decision making of industrial concerns.
The starting salary will be agreed in the light of the experience and qualifications of the successful candidate but will not be less than £6,000.
The appointment will be for 2 years. As an alternative to direct appointment, a secondment from a candidate's present employer can be arranged on reimbursement terms to be negotiated.
Please write, enclosing a curriculum vitae, and quoting references to Mrs M. J. Edwards, Establishment Division, Welsh Office, Cardiff, CF1 3NQ as soon as possible but in any case not later than 16 March 1977.

RP Martin & Co Limited
Owing to expansion we are looking for experienced Foreign Exchange and Currency Deposit Dealers.
Write in confidence to
The Secretary, R. P. Martin & Company Ltd.,
36-40 Coleman Street, London, EC2R 5AN.

Commodity Trader for Hong Kong
We are looking for a commodity trader to work in the new Hong Kong commodity exchange. We should like the candidate to have experience in trading commodities such as sugar, coffee or copper. Alternatively we would consider a trainee with experience in import/export trading or similar business enterprises.
Any applicant should be fluent in English and Cantonese, fluency in Mandarin would also be valuable.
We are one of the world's largest commodity brokers, and the successful candidate would be given exhaustive exposure to our operations in London and New York before relocation to Hong Kong.
Send resumes (C.V.) to Box A.5852, Financial Times, 10, Cannon Street, London, EC4P 4BY.

ROWE & PITMAN, HURST-BROWN
has an attractive opportunity for a young Investment Analyst to join the existing team, to specialise in the electrical sector and assist in maintaining the Firm's extensive connections, in the electrical industry.
We would look for the successful applicant to have had some experience of investment analysis, preferably in the electrical sector, and be able to demonstrate the ability to produce research material of a high standard. This position has excellent long-term prospects.
Salary negotiable according to qualifications and experience. Non Contributory Pension Scheme and good life assurance cover.
Applications with C.V. in confidence to:-
P. N. Smith,
ROWE & PITMAN, HURST-BROWN,
1st Floor,
City-Gate House,
39-45, Finsbury Square,
London, EC2A 1JA.

WELSH DEVELOPMENT AGENCY SENIOR INDUSTRIAL & MARKET ANALYST
The Welsh Development Agency requires a person to work within the Economic Section, carrying out economic and market intelligence to a department to carry out its programmes and specific projects.
The successful candidate will have several years' experience of analysis or industrial market research, either in industry or in a government department. It would be an advantage if the candidate should have an honours degree in economics or a related subject.
Salary £15,700 with 6 weeks annual holidays in addition to 14 days together with car allowances. There is a contribution scheme into which accrued rights from most fields of service can be transferred.
Candidates should hold a current driving licence.
Applications in forms to be returned by 14th March, 1977, are from:-
Personnel Department,
Welsh Development Agency,
Treforest Industrial Estate,
Pontypridd, Mid-Glam., CF37 5UT.

WELL-KNOWN FIRM
of Stockbrokers has vacancy for bright young person as assistant on dealing desk in the Private Clients Department. Education up to good O level standard essential and A levels and/or some Stockbroking experience an advantage.
Write Box A.5847, Financial Times, 10, Cannon Street, EC4P 4BY.

STOCKBROKERS ACCOUNT EXECUTIVE
Leading Stockbrokers require an Account Executive for their Bank Department. Applicants should have some years' experience of giving investment advice to clients, a wide-spread knowledge of Stock Exchange securities and practice, and be able to help in instructing trainees. Salary negotiable, with profit share and non-contributory pension. Please write in confidence to: Box A.5853, Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY.

FIXED INTEREST
Large firm of International Stockbrokers require a United Kingdom fixed interest sales man or woman to join a small team. The successful candidate must have had a few years experience in this field of Institutional sales or Fund management. Remuneration is negotiable and there is a non-contributory pension scheme. Please write: Box A.5850, Financial Times, 10, Cannon Street, EC4P 4BY.

GENERAL APPOINTMENTS are continued today on Page 35

ACCOUNTANCY APPOINTMENTS

Financial Administrator

Our client, Moleed, Young, West & Co. Ltd., wishes to appoint a Financial Administrator for its City based office. The company, a Canadian subsidiary, deals in securities and underwriting and provides investment advice for its clients. This position has been created through expansion, and essential activities will include:

- * effective handling of security settlements
- * maintenance of the UK accounts
- * liaison with banks and dealers
- * administration of staff and office services

Candidates, men and women, should be suitably qualified, ACA, ACCA or AIC, and previous experience with an investment dealer, bank or finance house would be an asset. Candidates should have a proven record of dealing with day to day administrative problems.

The starting salary for this position will be commensurate with experience and qualifications and fringe benefits include a contributory pension scheme, life and medical insurance.

Please write in the first instance giving brief details including qualifications, experience and age, and quoting ref. 1200, to:

bf Arne Knell,
Binder Hamlyn Fry & Co.,
75 Shoe Lane,
London EC4A 3JA.

Chief Accountant c.£10,000 plus benefits

Our Client, a rapidly growing international bank, is looking for a Chartered Accountant to participate in the development of their London based operation.

Aged 28-45, the person appointed will either have experience in a similar role in another bank or have been a manager of bank audit(s) with a major professional practice. The position will call for total responsibility for financial and management accounting and reporting will be to top management.

There will be exceptional scope for self-development and the position carries fringe benefits including housing assistance, free BUPA and free pension with life cover.

Please reply giving full details in the strictest confidence to Ivan K. Cann at Foster Turner & Benson, Chancery House, Chancery Lane, London WC2.

Foster Turner & Benson
Recruitment Advertising

Taxation Research

ACCA

C. London

The continuing expansion of the Technical Department of the Association of Certified Accountants, caused by increasing involvement in accounting standards and support to its members has resulted in the need for a Technical Officer to specialise in taxation.

You will be primarily involved in carrying out research for the Technical Committee on many aspects of current and proposed taxation, and in providing members with a service to meet their various demands.

Ideally you will be a Certified Accountant with practical experience of taxation; a business degree with some specialisation in taxation related matters would be an added advantage.

The salary is completely negotiable and entirely dependent upon experience.
Contact John P. Sleight, ACCA on 01-405 3499 quoting reference JS/204/TRF.

New Projects Accountant

C. London

c.£6250

Our clients are pioneers and world leaders in their specialist sphere of operations. They have grown substantially over recent years and throughout this period financial management and control has been of paramount importance.

Future planned expansion, both organically and by acquisition, has resulted in the need for the Group Financial Controller to strengthen his small but skilled team of young recently qualified accountants. The work will be entirely of a non-routine nature and will ideally suit a commercially aware person, aged 26-30, seeking such experience prior to obtaining a divisional controllership.

Contact John P. Sleight, ACCA on 01-405 3499, quoting reference JS/209/NPF.



Lloyd Executive

Brownlow House, 50-51 High Holborn, London WC1V 6ER. Tel: 01-405 3499

Senior Tax Appointments

International Trading

We are looking for someone of outstanding calibre and potential to fill a senior post in our U.K. Taxation and Corporate Structure Division. Your primary responsibility will be to advise on the U.K. tax implications of international trading, but you will also be involved in other aspects of the work of the Division. You should be a qualified accountant, Inspector of Taxes or Fellow of the Institute of Taxation, with several years' practical experience. You should have an expert technical knowledge of company and personal tax, and the ability to apply it imaginatively in a wide variety of circumstances.

Exploration and Production

We also need someone to advise Shell U.K. Limited on U.K. tax issues involved in their large exploration and production interests. You will be concerned with all the tax implications of North Sea operations, including computation of corporation tax and petroleum revenue tax liabilities and their agreement with the Inland Revenue. You should be a qualified accountant, Inspector of Taxes or member of the Institute of Taxation, and have had practical experience of company tax work. Experience of tax on North Sea operations would be an advantage, but is not essential. You should have the ability to interpret tax legislation and to find workable solutions to complex problems.

In both cases attractive and highly competitive salaries will be paid. Additionally all the normal benefits which you would expect from a Company like Shell will be given. Where appropriate, assistance will be given with relocation expenses.

Please write giving full details of your qualifications and experience to:
Shell International Petroleum Company Ltd.,
Recruitment Division (FT), PNE1, 21,
Shell Centre, London SE1 7NA.



Financial Controller

£10,000

Recent rationalisation of a group of companies with interests in the United Kingdom, India and Africa is releasing substantial funds. To help them convert this potential the Board - often absent from the UK - need the help of a competent accountant. This is no ordinary job. It carries responsibility for the organisation of the head office as well as for the financial and administrative functions of a company bent on diversifying and expanding.

The ideal candidate must have qualified preferably with one of the larger firms of chartered accountants, will since qualifying have had corporate finance experience perhaps within a merchant bank; and to allow for management succession should be in the thirties.

Salary negotiable. Location London. There is a car. Once appropriate systems have been instituted the Financial Controller will be expected to visit group companies abroad.

Please write in confidence for a description of this job and for an application form to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 8SY quoting MCS 3581.

FINANCIAL CONTROLLER

Small Midlands Industrial/Stockholding group invites applications from qualified accountants (male or female) with a minimum of 4 years commercial/Industrial experience.

The successful candidate will be responsible for the financial control of the Group and will be expected to make a significant contribution to general management.

Salary £7,000+ Plus car Plus B.U.P.A.

Write Box A.5851, Financial Times, 10, Cannon Street, EC4P 4BY.

Qualified Accountant

EMI

c.£9,000 p.a.

EMI are looking for a Qualified Accountant to take up the post of Financial Controller of its project for a new headquarters being erected at Tottenham Court Road.

The successful applicant will be based at Great Russell Street, London, W.C.1 and will report to the Project Director, but with functional responsibility to the Group Treasurer.

Current experience of cost control, preferably with a leading firm of building contractors, together with the ability to work with a professional team of architects, quantity surveyors and others is essential.

A high degree of self motivation will be required, together with the ability to analyse and report clearly and concisely.

Salary will be around £9,000 per annum, and the duration of the appointment is anticipated to be five years. The post will provide opportunities for further development within the Group.

Please apply in writing to:

E.P. Cowell,
Project Director, EMI Limited,
104, Great Russell Street,
London WC1B 3LF.

All replies will be treated in strict confidence.

International leaders in music, electronics and leisure

Young Chief Accountant

£9,240

Algeria

British public company, providing services to the oil industry multi-nationally, seeks a Chief Accountant for a 24-month tour of duty in its important Algerian operations. Each two weeks' work on site will be followed by one week's leave in the U.K., travel expenses paid, plus 72 days' paid holiday on completion.

Candidates, 26-30, will be unmarried, ACMA or ACA/ACCAs with industrial experience. Application, self-reliance and fluency in French essential. Savings of around £10,000 are perfectly possible with a largely tax-free salary of £9,240, free food and accommodation. This career appointment will be followed by other financial positions in the U.K. or overseas.

Candidates should write to W. T. Agar at John Curtis & Partners Ltd., Executive Selection Consultants, 78 Wigmore Street, London W1H 9DQ, indicating briefly their relevance and quoting reference 2003/FT. Applications will be treated in the strictest confidence.

JC&P

QUALIFIED ACCOUNTANT FINANCIAL ANALYSIS

Stockbrokers have a vacancy for an accountant in their investment research department, to specialise in the appraisal of banks and financial companies. At least two years' post-qualification experience, preferably in the City, are required.

The successful analyst would become part of a well established research team but would have independent responsibilities for investment recommendations and for maintaining liaison with senior officials in the financial community.

Starting remuneration would depend on age and experience, but would be unlikely to be less than about £8,000. Applications, accompanied by a curriculum vitae, should be sent to Box A.5845, Financial Times, 10, Cannon Street, EC4P 4BY.

Corporate Finance Executive

This City-based appointment is with Williams, Glyn & Co., the merchant banking subsidiary of Williams & Glyn's Bank.

It should appeal to a 25 to 30 year old chartered accountant having at least two years' experience of corporate finance with a merchant bank. Working closely with a director, the successful candidate will become involved in all aspects of acquisitions, mergers and new issues.

The work is interesting and exacting, calling for meticulous attention to detail. It requires a professional approach and the ability to identify and follow up new business opportunities, as well as to communicate at senior levels. There will be some travel to clients in the U.K.

Salary is negotiable and should be of interest to someone currently earning at least £6000. Generous fringe benefits include subsidised mortgage facilities.

Please write giving full career details or telephone for an application form and further information, quoting reference B.776, to: M. T. Brookes, Williams & Glyn's Bank Limited, New London Bridge House, 25 London Bridge Street, London SE1 9SX. Tel: 01-407 3121, ext. 463.

WILLIAMS & GLYN'S BANK



Corporate Treasurer

Mid Twenties

The London Headquarters of a leading manufacturer and distributor of consumer and industrial products, with a turnover of approximately £100 million, is now looking for an outstanding man or woman to move into this important financial role.

The successful person will be expected, in addition to the normal Treasury functions, to make a positive contribution towards establishing and maintaining productive relationships with financial institutions and undertake special projects as directed. Candidates, aged around 25-30 years, will be qualified to a minimum ACA or ACCA standard and may be looking for their first

position in industry. A knowledge of banking operations and taxation would be advantageous, but not essential. A very good salary will be accompanied by an attractive range of benefits. Advancement prospects are excellent. (Ref: S3509/FT)

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Chief Accountant

West London

up to £7000

An important and expanding autonomous subsidiary of a substantial international trading company, importing consumer goods, seeks a Chief Accountant to assume entire responsibility for the accounting function with a staff of 6. Turnover approximately £7m.

Candidates, aged 28 to 35, will be qualified accountants with several years' experience in commerce and/or industry, latterly controlling the entire accounting function.

Excellent benefits include a pension plan.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1452.

This appointment is open to men and women.

AEL CONFIDENTIAL 17 STRATTON STREET
RECRUITMENT LONDON W1X 6DB
A member of MSL Group International

مكتبة الامارات

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Lloyd's Life Unit Tr. Mgrs. Ltd., National Provident Inv. Mgrs. Ltd., and others, with columns for fund names, managers, and performance metrics.

INSURANCE, PROPERTY, BONDS

Advertisement for 'DERS AND LAGGARDS' featuring a woman in a hat and the text 'WE, THE LIMBLESS, LOOK TO YOU FOR HELP'. It describes services for the disabled and elderly.

Table listing insurance, property, and bond companies including Abbey Life Assurance Co. Ltd., Chartham Japhet Life Ass. Co. Ltd., and others, with details on their products and services.

OFFSHORE AND OVERSEAS FUNDS

Advertisement for a 'One-day National Conference TAX SAVING' for private companies and directors, held on Tuesday, 15th March 1977.

Table listing offshore and overseas funds such as Arthurson Securities (C.I.) Limited, Chartham Japhet, and others, providing details on fund structures and investments.

NOTES section containing various financial notices, including interest rates and company announcements.

Henry Boot
Great people to build with
Henry Boot Construction Limited,
Dronfield, Sheffield S18 6XR
Also at Birmingham,
Bristol, Glasgow, Manchester, London

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Stock	High	Low	Close	Change
British Fund	100.00	99.50	99.75	+0.25
British Growth	105.00	104.50	104.75	+0.25
British Income	110.00	109.50	109.75	+0.25
British Property	115.00	114.50	114.75	+0.25
British Venture	120.00	119.50	119.75	+0.25

Five to Fifteen Years

Stock	High	Low	Close	Change
Five to Fifteen	100.00	99.50	99.75	+0.25
Five to Fifteen	105.00	104.50	104.75	+0.25
Five to Fifteen	110.00	109.50	109.75	+0.25
Five to Fifteen	115.00	114.50	114.75	+0.25
Five to Fifteen	120.00	119.50	119.75	+0.25

Over Fifteen Years

Stock	High	Low	Close	Change
Over Fifteen	100.00	99.50	99.75	+0.25
Over Fifteen	105.00	104.50	104.75	+0.25
Over Fifteen	110.00	109.50	109.75	+0.25
Over Fifteen	115.00	114.50	114.75	+0.25
Over Fifteen	120.00	119.50	119.75	+0.25

INTERNATIONAL BANK

Stock	High	Low	Close	Change
International Bank	100.00	99.50	99.75	+0.25
International Bank	105.00	104.50	104.75	+0.25
International Bank	110.00	109.50	109.75	+0.25
International Bank	115.00	114.50	114.75	+0.25
International Bank	120.00	119.50	119.75	+0.25

CORPORATION LOANS

Stock	High	Low	Close	Change
Corporation Loans	100.00	99.50	99.75	+0.25
Corporation Loans	105.00	104.50	104.75	+0.25
Corporation Loans	110.00	109.50	109.75	+0.25
Corporation Loans	115.00	114.50	114.75	+0.25
Corporation Loans	120.00	119.50	119.75	+0.25

WEALTH & AFRICAN LOANS

Stock	High	Low	Close	Change
Wealth & African	100.00	99.50	99.75	+0.25
Wealth & African	105.00	104.50	104.75	+0.25
Wealth & African	110.00	109.50	109.75	+0.25
Wealth & African	115.00	114.50	114.75	+0.25
Wealth & African	120.00	119.50	119.75	+0.25

LOANS (Miscellaneous)

Stock	High	Low	Close	Change
Loans (Misc)	100.00	99.50	99.75	+0.25
Loans (Misc)	105.00	104.50	104.75	+0.25
Loans (Misc)	110.00	109.50	109.75	+0.25
Loans (Misc)	115.00	114.50	114.75	+0.25
Loans (Misc)	120.00	119.50	119.75	+0.25

FOREIGN BONDS & RAILS

Stock	High	Low	Close	Change
Foreign Bonds	100.00	99.50	99.75	+0.25
Foreign Bonds	105.00	104.50	104.75	+0.25
Foreign Bonds	110.00	109.50	109.75	+0.25
Foreign Bonds	115.00	114.50	114.75	+0.25
Foreign Bonds	120.00	119.50	119.75	+0.25

AMERICANS

Stock	High	Low	Close	Change
Americans	100.00	99.50	99.75	+0.25
Americans	105.00	104.50	104.75	+0.25
Americans	110.00	109.50	109.75	+0.25
Americans	115.00	114.50	114.75	+0.25
Americans	120.00	119.50	119.75	+0.25

CANADIANS

Stock	High	Low	Close	Change
Canadian	100.00	99.50	99.75	+0.25
Canadian	105.00	104.50	104.75	+0.25
Canadian	110.00	109.50	109.75	+0.25
Canadian	115.00	114.50	114.75	+0.25
Canadian	120.00	119.50	119.75	+0.25

BANKS AND HIRE PURCHASE

Stock	High	Low	Close	Change
Banks & Hire	100.00	99.50	99.75	+0.25
Banks & Hire	105.00	104.50	104.75	+0.25
Banks & Hire	110.00	109.50	109.75	+0.25
Banks & Hire	115.00	114.50	114.75	+0.25
Banks & Hire	120.00	119.50	119.75	+0.25

BEERS, WINES AND SPIRITS

Stock	High	Low	Close	Change
Beers, Wines	100.00	99.50	99.75	+0.25
Beers, Wines	105.00	104.50	104.75	+0.25
Beers, Wines	110.00	109.50	109.75	+0.25
Beers, Wines	115.00	114.50	114.75	+0.25
Beers, Wines	120.00	119.50	119.75	+0.25

BUILDING INDUSTRY, TIMBER AND ROADS

Stock	High	Low	Close	Change
Building Ind	100.00	99.50	99.75	+0.25
Building Ind	105.00	104.50	104.75	+0.25
Building Ind	110.00	109.50	109.75	+0.25
Building Ind	115.00	114.50	114.75	+0.25
Building Ind	120.00	119.50	119.75	+0.25

AMERICANS (Continued)

Stock	High	Low	Close	Change
American	100.00	99.50	99.75	+0.25
American	105.00	104.50	104.75	+0.25
American	110.00	109.50	109.75	+0.25
American	115.00	114.50	114.75	+0.25
American	120.00	119.50	119.75	+0.25

BUILDING INDUSTRY - Continued

Stock	High	Low	Close	Change
Building Ind	100.00	99.50	99.75	+0.25
Building Ind	105.00	104.50	104.75	+0.25
Building Ind	110.00	109.50	109.75	+0.25
Building Ind	115.00	114.50	114.75	+0.25
Building Ind	120.00	119.50	119.75	+0.25

CHEMICALS, PLASTICS

Stock	High	Low	Close	Change
Chemicals	100.00	99.50	99.75	+0.25
Chemicals	105.00	104.50	104.75	+0.25
Chemicals	110.00	109.50	109.75	+0.25
Chemicals	115.00	114.50	114.75	+0.25
Chemicals	120.00	119.50	119.75	+0.25

CINEMAS, THEATRES AND TV

Stock	High	Low	Close	Change
Cinemas	100.00	99.50	99.75	+0.25
Cinemas	105.00	104.50	104.75	+0.25
Cinemas	110.00	109.50	109.75	+0.25
Cinemas	115.00	114.50	114.75	+0.25
Cinemas	120.00	119.50	119.75	+0.25

DRAPERY AND STORES

Stock	High	Low	Close	Change
Drapery	100.00	99.50	99.75	+0.25
Drapery	105.00	104.50	104.75	+0.25
Drapery	110.00	109.50	109.75	+0.25
Drapery	115.00	114.50	114.75	+0.25
Drapery	120.00	119.50	119.75	+0.25

DRAPERY AND STORES - Continued

Stock	High	Low	Close	Change
Drapery	100.00	99.50	99.75	+0.25
Drapery	105.00	104.50	104.75	+0.25
Drapery	110.00	109.50	109.75	+0.25
Drapery	115.00	114.50	114.75	+0.25
Drapery	120.00	119.50	119.75	+0.25

DRAPERY AND STORES - Continued

Stock	High	Low	Close	Change
Drapery	100.00	99.50	99.75	+0.25
Drapery	105.00	104.50	104.75	+0.25
Drapery	110.00	109.50	109.75	+0.25
Drapery	115.00	114.50	114.75	+0.25
Drapery	120.00	119.50	119.75	+0.25

ELECTRICAL AND RADIO

Stock	High	Low	Close	Change
Electrical	100.00	99.50	99.75	+0.25
Electrical	105.00	104.50	104.75	+0.25
Electrical	110.00	109.50	109.75	+0.25
Electrical	115.00	114.50	114.75	+0.25
Electrical	120.00	119.50	119.75	+0.25

ENGINEERING, MACHINE TOOLS

Stock	High	Low	Close	Change
Engineering	100.00	99.50	99.75	+0.25
Engineering	105.00	104.50	104.75	+0.25
Engineering	110.00	109.50	109.75	+0.25
Engineering	115.00	114.50	114.75	+0.25
Engineering	120.00	119.50	119.75	+0.25

ENGINEERING, MACHINE TOOLS - Continued

Stock	High	Low	Close	Change
Engineering	100.00	99.50	99.75	+0.25
Engineering	105.00	104.50	104.75	+0.25
Engineering	110.00	109.50	109.75	+0.25
Engineering	115.00	114.50	114.75	+0.25
Engineering	120.00	119.50	119.75	+0.25

ENGINEERING, MACHINE TOOLS - Continued

Stock	High	Low	Close	Change
Engineering	100.00	99.50	99.75	+0.25
Engineering	105.00	104.50	104.75	+0.25
Engineering	110.00	109.50	109.75	+0.25
Engineering	115.00	114.50	114.75	+0.25
Engineering	120.00	119.50	119.75	+0.25

ENGINEERING - Continued

Stock	High	Low	Close	Change
Engineering	100.00	99.50	99.75	+0.25
Engineering	105.00	104.50	104.75	+0.25
Engineering	110.00	109.50	109.75	+0.25
Engineering	115.00	114.50	114.75	+0.25
Engineering	120.00	119.50	119.75	+0.25

ENGINEERING - Continued

Stock	High	Low	Close	Change
Engineering	100.00	99.50	99.75	+0.25
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Engineering	120.00	119.50	119.75	+0.25

ENGINEERING - Continued

Stock	High	Low	Close	Change
Engineering	100.00	99.50	99.75	+0.25
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Engineering	120.00	119.50	119.75	+0.25

ENGINEERING - Continued

Stock	High	Low	Close	Change
Engineering	100.00	99.50	99.75	+0.25
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Engineering	110.00	109.50	109.75	+0.25
Engineering	115.00	114.50	114.75	+0.25
Engineering	120.00	119.50	119.75	+0.25

ENGINEERING - Continued

Stock	High	Low	Close	Change
Engineering	100.00	99.50	99.75	+0.25
Engineering	105.00	104.50	104.75	+0.25
Engineering	110.00	109.50	109.75	+0.25
Engineering	115.00	114.50	114.75	+0.25
Engineering	120.00	119.50	119.75	+0.25

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INDUSTRIALS - Continued

Table of industrial stocks including companies like Anglo-Siam, Anglo-Tex, Anglo-Timber, etc.

MOTORS, AIRCRAFT TRACES

Table of motor and aircraft related stocks including Rover, Leyland, and various commercial vehicles.

PROPERTY - Continued

Table of property-related stocks including Regal, Regal Property, and various real estate companies.

TRUSTS - Continued

Table of trust-related stocks including various investment trusts and funds.

TRUSTS - Continued

Table of trust-related stocks, continuing from the previous section.

Advertisement for YAMAICHI SECURITIES CO. LTD. with contact information and services.

MINES - Continued table listing various mining companies and their stock prices.

AUSTRALIAN table listing Australian-based companies and their stock prices.

TINS table listing tin-related companies and their stock prices.

COPPER table listing copper-related companies and their stock prices.

MISCELLANEOUS table listing various other companies and their stock prices.

NOTES section providing additional information and disclaimers regarding the data.

TRADING table listing trading companies and their stock prices.

INDIA AND BANGLADESH table listing companies from these regions.

AFRICA table listing African-based companies and their stock prices.

CENTRAL AND EASTERN table listing companies from these regions.

WESTERN table listing Western-based companies and their stock prices.

FINANCE table listing financial institutions and their stock prices.

DIAMOND AND PLATINUM table listing diamond and platinum related companies.

REGIONAL MARKETS table listing regional market data and indices.

Options section with 3-month call rates and other market data.

INSURANCE

Table of insurance companies and their stock prices.

PROPERTY

Table of property-related stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

TOBACCO

Table of tobacco-related companies and their stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

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Saudi move will bar companies inflating bids from tendering

BY ROD NEWMAN AND ANTHONY McDERMOTT

THE SAUDI ARABIAN Government has imposed stern rulings to prevent contractors from submitting exaggerated bids for public tenders and to reconsider its contracts with consultants who recommend disproportionately larger development projects.

The new rulings, decided by the Council of Ministers last night, state that companies which repeatedly inflate their bids will be barred from public tenders and from doing other business in the country.

The measures come after some weeks of discontent by the Saudi Government at what it sees as inflated bids. Tenders for four electricity projects, the cost of which was originally estimated at \$700m, were cancelled. They involved supplying transformers, switchgear, electric power lines and diesel generating sets with accompanying extensive civil engineering works to Jazan, al-Kharj (south of Riyadh), Baha and Assir.

The eight companies—GEC Overseas Services, Balfour Beatty and Hawker Siddeley from the U.K., Siemens and MAN from West Germany,

Heavy State role in France's steel rescue proposal

BY ROBERT MAUTHNER PARIS, Feb. 23.

FRANCE adopted today the broad outlines of a rescue plan for the debt-ridden French steel industry, under which the State would provide substantial financial aid in return for greater Government control over the industry's finances and an unspecified share of its profits.

Contrary to expectations, no figures for the amount of aid by the State were announced, since the whole plan is subject to negotiations with companies and trade unions concerned.

All that M. Michel d'Ornano, the Minister of Industry, would say on the subject was that the aid would fall well short of the Frs.3bn-Frs.4bn. speculated by some press reports.

Standard Chartered heads west

THE LEX COLUMN

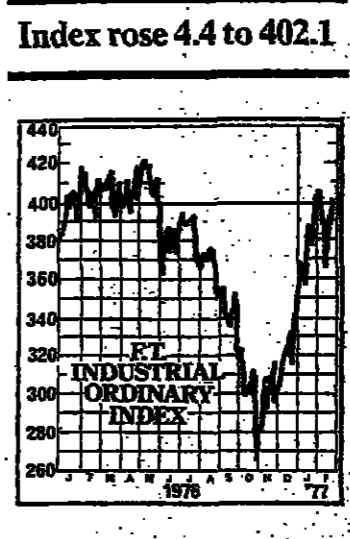
Standard Chartered's offer for the Bank of California is a substantial move, the American group being roughly the same size as the Bank of Scotland. At \$130m, it would be the largest U.S. acquisition by a British bank, topping Lloyds' 1973 Californian purchase by \$15m.

BanCal is about a quarter of the size of Standard Chartered in balance sheet terms, and the proposed bid is worth about a third of SC's market capitalisation, although of course it will not be paying in equity.

Two main reasons probably lie behind this move. To start with, there is a natural geographical fit with Standard Chartered's large Far Eastern and Pacific business. The group already has a chain of 19 branches in California built up since 1964. But the offer also underlines the need for SC, as a widely spread international bank, to build up a sizeable dollar base, and incidentally reduce its reliance upon South African earnings.

soon, and with the company results season approaching the under can expect to get a little. ECC is by no means its full rights issue, with this £13.8m call, no direct connection recent takeovers and which could absorb £3m. of cash. The improved liquidity by last year, showing net £2.5m. in September capital outlays are likely with outstanding authority from £13.8m. to during 1976-77.

A key factor con progress in the new chf products which are desig allow papermakers to c the proportion of pulp; b £4m. and £6m. is being on the initial phase, bu more. will be requi demand goes well. Mea the big dividend rise the shares up to 83p d for an ex-rights y 6.7 per cent.



Unions prepared to drive hard bargain on pay

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

TUC LEADERS yesterday made clear their determination to strike a hard bargain with the Government on the future of the social contract and pay policy.

The TUC general council approved its Budgetary demands and agreed to publish next week the economic review in which they are contained.

There was some opposition to this from some on the Left-wing who argued that the review should be omitted entirely this year because its timing made it irrelevant.

They secured a number of amendments to the document intended to strengthen the unions' hand in negotiations with the Government.

To-morrow morning the TUC's economic committee will meet the Chancellor of the Exchequer for what could be the last talk before the Budget on March 29.

The committee has a clear instruction to avoid any com-

Dismissals

The State, it was made clear after today's Cabinet meeting, was prepared to provide softer loans to the steel industry through its Economic and Social Development Fund on condition that the steel companies invested substantial new capital in modernisation and rationalisation at the same time.

The Government also noted that some Western companies had set prices for exports to Saudi Arabia which were higher than those set for other countries at the same time.

Saudi companies were not spared, either. Some had been "carried away in the same direction" and increased prices without justification, the Cabinet said.

Debts

The rescue plan has been adopted after a serious deterioration in the French steel industry, whose production of 23m. tonnes last year fell 10m. tonnes short of total French capacity.

The industry's finances are in a disastrous state. Last year its medium- and long-term debts totalled Frs.33bn. (nearly £400m.), more than the industry's annual turnover.

Carr makes new call for discussions on participation

BY JOHN HUNT

A SUGGESTION that there should be new discussions on industrial democracy with a view to introducing legislation in the autumn of next year came last night from Lord Carr, the Conservative spokesman on industry in the House of Lords.

Opening a debate on the Bullock Report on industrial democracy, he gave details of a statement he had made in an alternative strategy to the report.

This is the first time that a senior member of the Conservative Party has done so. Conservative spokesmen have confined themselves to attacks on the majority report and called for the introduction of voluntary schemes of worker participation.

Town & City

Although the rights issue a year ago temporarily reversed the declining trend of SC's free capital ratio, the scarcely increased half-time profits for the six months to September at a time of rapidly weakening sterling suggested that the capital ratio might be easing slightly again.

This offer, however, does not appear to threaten any new strains in this direction, for on the available figures there would be little if any goodwill element in the acquisition—in contrast to Lloyds' deal, BanCal shareholders' equity is put at \$105m, in line with the mooted payment by SC before adding \$25m. or so which will be absorbed in, among other things, buying the Convertible debentures.

Racal/Ultra

Now that Racal has topped Dowty's £8.2m. Ultra with a cash bid of (185p per share) the question to ask is what they can do to the business which cannot. A week ago, at the market value of Ultra just £3m.—which did not strike out of line a value of net assets from £13m. year profits of something £1m. pre-tax.

It is easy enough to see Dowty is anxious to see trionics technology to be mechanical/hy skills. The appeal for a rather less obvious Ultra successful military programme—used for ing submarines—but the in for exports is limited. But despite all this hard running, the group is not yet even standing still.

Babcock given bid go-ahead despite adverse report

BY KEITH LEWIS

BABCOCK & WILCOX has been given the go-ahead to proceed with its takeover bid for the Loughborough crane manufacturers Herbert Morris, even though three of the five members who took part in a Monopolies Commission inquiry concluded that the merger would be contrary to the public interest.

Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection, has ruled that there are no grounds for further intervention. The decision is based on that section of the Fair Trading Act of 1973 which states that "a conclusion contained in the Report of the Commission shall be disregarded if the report is made through a group and the conclusion is not that of at least two-thirds of the members of the group."

There have been minority views expressed in Commission reports in the past. The last major division was in July, 1968, when six out of ten members voted not to allow the proposed merger of Lloyds Bank, Barclays Bank and Martins Bank.

In the Babcock-Morris Report those against the merger were Mr. C. J. M. Hardie, Mr. R. E. Marshall and Mr. S. A. Robinson. Those in favour were Mr. J. G. Le Queuse, the chairman, and Mr. F. E. Jones.

Continued from Page 1

which would include a first draft of any legislation. The intention would be to initiate legislation in the 1978-79 session of Parliament which starts in the autumn of next year.

The Bill could include the establishment of independent machinery to provide guidance on the most effective types of worker participation scheme. In the absence of agreement on such a scheme in a company, the independent body could arbitrate on which one should be adopted.

Lord Carr said there could be a legal framework which formally recognised the duty of Boards to take into account the interest of employees as well as shareholders. He emphasised that the scheme would have to be based on a minimum of compulsion and the maximum of voluntary action.

Weather

U.K. TO-DAY
WINTY SHOWERS with bright intervals in N. areas. Mild and cloudy with rain in S. London, S.E., S.W., Cent. S. England, E. Anglia, E. Midlands, Channel Is.
Mostly cloudy, rain at times. Max. 10C (50°).
E. England, W. Midlands, S. Wales
Mostly cloudy, rain at times. Snow on hills later. Max. 8C (46°).
N. Wales, N.W., N.E., Cent. N. England, Lakes
Cloudy, rain or snow at times. Brighter later. Rather cold. Max. 4C (39°).
Scotland, I. of Man, Shetland.
Winty showers and bright intervals. Rather cold. Max. 4C (39°).
Outlook: Bright intervals and showers, wintery in N. Rather cold in N.

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★ help you to obtain the best terms available
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GEC jobs pledge over merger

BY MAX WILKINSON, INDUSTRIAL STAFF

GEC HAS TOLD the Government that it will refuse to cooperate with a merger plan for the power engineering industry, which would involve sacrificing the jobs of its employees.

The company renewed talks with Mr. Eric Varley and the three other power engineering companies on Monday.

It told him that the advance ordering of a £500m. power station at Drax, near Selby, would not necessarily be in the long-term interest of the industry, and would not save jobs overall.

The GEC argument is that a substantial reduction in manning is now inevitable, and that because its orders are running

Carter's policy

Agreement was "culpable in Carter would meet President some respects" itself, because Assad of Syria, probably in it curbed visits to this country Europe, about the time of the by those it considered enemies, next economic summit meeting in May.

Again, this is the sort of admission U.S. Presidents do not normally make, but it was justified because "we are trying to set standards in our country."

He also pointed to other nations with records that were less than pure—including several in Latin America, South Korea, Uganda and Cuba (on which he was inclined to discourage speculation of an early resumption of normal relations while reaffirming American willingness to talk with Cuban leaders).

His only substantive foreign policy announcement was that he would meet leaders of the Middle Eastern States by the end of May.

The exchanges will begin with a visit to Washington by Prime Minister Robin on March 12, immediately after Mr. Callaghan has been here.

Arab heads of state would follow, though it is understood Mr. what's going to happen next."

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fire
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explosives
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Industry and
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Reduced Interest Charges
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or Industrial Sector Schemes or Assisted Area Schemes, through CPA Specialist Advice
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★ help you to obtain the best terms available
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